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NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI,
MINISTER FOR INTERNATIONAL TRADE,
TO THE OPENING SESSION OF THE
CANADA-MEXICO BUSINESS FORUM

MEXICO CITY, Mexico
January 12, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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I am delighted to be here in Mexico City, along with the Governor General, territorial leaders, provincial premiers and Canadian business leaders. While this is the fourth Team Canada trade mission, it represents my first such voyage, and it is truly an incredible experience.

It is good to feel the warmth, both of your weather and of your welcome.

This is going to be a busy year! Following this Team Canada mission to Latin America, there will be the FTAA [Free Trade Area of the Americas] ministerial meeting in Costa Rica in March, followed by the Santiago Summit in April. And of course, just a few weeks ago, many of us were in Vancouver for the APEC [Asia-Pacific Economic Cooperation forum] meeting.

Today, I would like to speak very briefly about Canada's relationship with Mexico and our commitment to freer trade in this hemisphere.

It is certainly appropriate that we should begin our trade mission here in Mexico, where our free trade relationship with Latin America began.

The trading relationship between Mexico and Canada is in its early stages, and the real benefits are just starting to be realized. In 1996, Canadian investment here stood at \$1.3 billion – more than double the 1993 figure, but still far below what it can be. Similarly, Mexican investment in Canada is growing, but was still only about \$240 million last year.

The exciting news is that the structural reforms taking place in Mexico are creating opportunities for Canadian businesses in areas like transportation, hydroelectric power stations and the storage, transmission and distribution of natural gas.

As you know, more than 700 Canadian companies already have a presence here, and many more are exporting to Mexico. Some of these are very significant ventures. For example:

- Last March, TransCanada PipeLines, in a consortium with the Mexican company Gutsa, won a contract to build a pipeline to supply natural gas to the Merida III thermoelectric plant and the Yucatan Peninsula.
- Northern Telecom has established a factory in Monterrey, Nuevo Leon, manufacturing connectors, telephone handsets and cables – and employing close to 2000 people.
- The Bank of Nova Scotia is in the process of finalizing negotiations to acquire a 55-percent interest in Grupo Financiero Inverlat SA, the fourth-largest bank in Mexico.

- Canam Manac of Ville St.-Georges, Quebec, operates two successful metal fabrication plants in Monterrey and Ciudad Juarez, providing jobs for 500 people.

There are also a number of highly successful joint ventures between Canadian and Mexican companies – ventures that are bringing jobs and other benefits to both countries. IDG Stanley, for example, in conjunction with a Mexican partner, has been awarded a \$4-million contract to help the Comision Reguladora de Energia to create a framework for companies that are expected to be formed as Mexico increases its use of natural gas.

So the momentum is there. Canadian companies have recognized the benefits to be gained by establishing a presence in a country of 93 million people. And Mexicans have seen the benefits and jobs that come from international investment. Clearly, the number and variety of businesses accompanying us on this trade mission is strong evidence that Canadian interest in Mexico is both substantial and long-term. This region has captured Canadians' imaginations, and their bullishness bodes well for our future together.

The challenge before all of us is to make it as easy as possible for companies in both countries to do business with one another. To that end, we are continuing to work through the NAFTA [North American Free Trade Agreement] process to address issues such as the access of trucking firms to Mexico, and we remain committed to streamlining customs procedures in both countries.

Of course, the world of tomorrow will be built by the efforts we make today. And what we build will be passed on to the next generation. That is why the Canadian Education Centre that we will officially open this afternoon is so important. It will help to build stronger bridges between our societies. It will expand horizons and increase understanding.

And it is to the younger generation – more comfortable with technology, more outward-looking in their views and more adaptable to change – that we will look for leadership in the years to come.

We have built a solid foundation for their efforts, and we see incredible opportunities for the future of the Mexican-Canadian relationship.

In recent years, Canada has undergone a transformation that I think parallels one going on elsewhere in the world: a transformation from seeing trade liberalization as something to be resisted, to seeing it as something to be embraced. In fact, 70 percent of Canadians now support freer trade. Support for the NAFTA in particular is up from just 37 percent in 1993 to 63 percent today.

Canada has recognized that our future is tied to expanding trade. And, just as our country has been enlarged and enriched by the contribution of immigrants from all over the world, so, too, has each new trading partnership expanded our perspective and increased our opportunities.

Of course, globalization and freer trade have brought concerns as well as benefits. Many people see things changing quickly, dramatically, fundamentally. The comfort of the old certainties has been replaced by an anxiety about what tomorrow may hold.

We must acknowledge and address those concerns. We must continue to demonstrate the benefits that freer trade brings, and the opportunities that it offers for all. We must show the connection between open markets and increased jobs. And we must prepare our people to take advantage of those opportunities.

Certainly, Canada's transition to this world view has not always been easy. It has required some fundamental restructuring of our economy, and it has involved a dramatic shift in our own sense of ourselves and our place in the world. But it has been worth it!

Part of our transformation has seen Canada – a country with deep roots in Europe and with strong commercial ties with the United States – begin to recognize its natural affinity with the Pacific Rim and to see itself as a country of the Americas.

Today, Canadians look with great optimism and enthusiasm to expanding our relationship with this hemisphere. As this trade mission demonstrates, this region is an integral part of our trade strategy.

I am pleased to release today *Canada's Trade Action Plan for Mexico*. Copies are available at the back of the room. This Plan identifies Mexico as one of 10 priority markets for Canada. To further assist Canadian companies, we have developed an extensive database on doing business in Mexico called *Export i Mexico*, which is available on-line through the Internet.

Our commitment to the economic future of this region has been demonstrated by a free trade agreement with Chile. We have also proposed a trade and investment arrangement with Mercosur, which will provide the framework for discussing trade and investment issues.

We are also firmly committed to the FTAA, and we must not lose our momentum as we move toward its creation. We cannot, for example, let the U.S. administration's delay in obtaining fast-track authority derail our progress or divert our course.

There now exists a shared desire, and a unique opportunity, to build a true sense of community in this hemisphere. That opportunity must not be lost.

Our commitment to strengthening our ties with trading partners in the region, and to developing the FTAA in particular, should come as no surprise: after all, Canada is a trading nation.

But our commitment is based on more than straight economics. We also see the dangers inherent in allowing the FTAA to slip away. Dangers like a hemisphere cluttered with overlapping trade arrangements, sometimes working at cross purposes. Such a situation would only serve to frustrate and imperil our broader goals.

And we also know of the social dividend we could lose by not moving ahead with the FTAA: benefits such as new schools, hospitals, higher incomes and better labour and environmental standards.

As we look ahead to the challenges and opportunities before us, I am reminded of a book I once saw of 13th-century maps. When mapmakers of that day came to the edge of the then-known world, they would write the words "Here be monsters" to indicate that what lay beyond was uncertain and therefore frightening.

We too face many unknowns as we embark on this new era of freer trade and a more interdependent global marketplace. But we must not restrict ourselves by imagining monsters. We must not limit our horizons by only what can be seen at the moment.

Instead, like the explorers of an earlier day, we must sail uncertain seas, knowing that new worlds of opportunity lie waiting to be discovered.

So let us go forward with confidence and sail those seas together.

Thank you.



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1998

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NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE

ON THE OCCASION
OF THE
TEAM CANADA BUSINESS LUNCHEON

MEXICO CITY, Mexico
January 13, 1998

This document is also available on the Internet site of the Department of Foreign
Affairs and International Trade: <http://www.dfait-maeci.gc.ca>



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Excellency, ladies and gentlemen, it is a great pleasure for me, as Minister for International Trade, to be speaking to you today in Mexico, on behalf of the Prime Minister of Canada, and to have with me Team Canada '98.

As so often in the past few days, I, as a member of Team Canada, find myself in the unfortunate situation of regretting the absence of our Captain, detained, as he is, by natural disaster forces stronger than our control, and, certainly, contrary to our wishes.

The understanding words of President Zedillo yesterday and the warmth of the Mexican people go a long way to counter the harsh weather we are currently experiencing in Canada.

Over a million Canadians visit Mexico each year. They are attracted by the incredibly rich culture and history that are so readily accessible.

But every year, more and more of us are coming here to invest and do business. And it is to build on this momentum that we on Team Canada '98 chose Mexico as the first stop on our trade mission to Latin America.

Our objective is to demonstrate the profound Canadian desire to reaffirm our identity as a nation of the Americas and to place our hemispheric ties on a fast-track. There could be no better place to kick off this effort than here in Mexico, a NAFTA [North American Free Trade Agreement] partner and a nation with whom Canada shares common interests and an expanding range of relationships.

Since 1990, we have signed more than 35 bilateral agreements, including the first ever double taxation agreement signed by Mexico. During President Zedillo's visit to Ottawa in 1996, we agreed on a detailed Plan of Action. And yesterday's signing of agreements on narcotics trafficking, health, telecommunications, development co-operation, model forests, and education have underscored our commitment to deepen our co-operation.

For example, under the international model forests program, Mexican forests are twinned with forest regions in Canada. Our further commitment to this program yesterday reflects our common interest in promoting sustainable development.

Partnerships between Mexican and Canadian educational institutions, which are represented on this mission, are ensuring that the young people of both countries are getting to know each other better and can benefit from each other's knowledge and experience. The official opening yesterday of the Canadian Education Centre at the Canadian Embassy is an important new step in this direction.

Mexico and Canada also share a common purpose on many international issues. We were pleased to support the Mexican-led initiative for a hemispheric convention to control the illicit trafficking of firearms. Mexico played a key role in the Ottawa Process that led to the signing in December of the Treaty banning anti-personnel landmines. And Canada looks forward to working closely with Mexico in the critical next phase, helping landmine victims in Central America and around the world.

Nowhere is the closeness between our two countries more clear than on the trade and investment fronts. Since NAFTA came into force, bilateral trade between Canada and Mexico has increased by over 65 per cent. With two-way trade now almost \$8 billion, Mexico is Canada's largest trading partner in Latin America. Canadian direct investment in Mexico, also facilitated by NAFTA, amounted to over \$1.2 billion in 1996. Some 700 Canadian companies are now established in Mexico and are becoming an integral part of the national economy.

But at the risk of sounding greedy, we, in Canada, want more. We want to build on existing strengths and develop new ones.

Team Canada '98 speaks to this strong desire. I feel truly fortunate to be part of such a large and impressive delegation. All our provincial and territorial leaders are here, except those from Quebec and Ontario whom we hope will be able to join us soon, along with key municipal leaders and representatives of our finest educational institutions. Topping it off is a dazzling array of some of the best in Canadian business talent. Team Canada '98 is the largest ever. It represents a wide spectrum of our economy – from leading exporters to young entrepreneurs, from university leaders to promoters of tourism. We also have the largest ever contingent of SME's [small and medium-sized enterprises] and women entrepreneurs on a Team Canada trip.

Team Canada also drives home the truth of international business in the 1990s; a lesson that has been well learned here in Mexico. In this time of a global economy, enhanced trade and investment flows are engines of economic growth and prosperity. More than that, they are the cornerstones of a vibrant, democratic society.

Ladies and gentlemen, history teaches us that freedom is always in peril where there is no freedom from want. It is with admiration that Canada has watched in recent years as Mexico has gone about putting in place, a framework for economic prosperity in the new global economy. A framework that is the key to fostering democratic development and a better quality of life.

Indeed, Mexico has shown great courage in the face of the challenges of globalization. Sound monetary, fiscal and trade policies have seen Mexico through a profound economic crisis.

Mexico's success has been an example to the world. One of the strongest messages at the APEC [Asia-Pacific Economic Cooperation forum] Summit in Vancouver was delivered directly by President Zedillo to the APEC leaders; there is no substitute for forceful, early action to deal with market instability.

Canada, too, has had its recent economic success story. Our deficit will be eliminated and the budget balanced by no later than the fiscal year 1998/1999. What a contrast with the situation in Canada four years ago!

Canada has had among the highest growth rates in the OECD [Organization for Economic Co-operation and Development] in recent years. At the signing of the NAFTA in 1994, the unemployment rate stood at 11.4%; last week it came in at 8.6%. Three hundred and sixty thousand jobs in a workforce of 17 million were created just last year.

Inflation and interest rates are at all-time lows.

In short, ladies and gentleman, Canada currently enjoys very strong economic fundamentals and, most international experts give us very high marks for the coming years.

And much of this success is due to the power of free trade.

Looking ahead, Canada wants to lead the way in bringing the benefits we have enjoyed from freer trade to the entire hemisphere. We believe that this will lead to a better life for all our peoples.

The NAFTA and the free trade agreement we have entered into with Chile are just the beginning. We are deeply committed to the establishment of a Free Trade Area of the Americas (FTAA). Canada firmly believes in an FTAA of "many amigos". Whether the Clinton Administration obtains fast-track authority or not, we are committed to launching formal negotiations in April at the second Summit of the Americas in Chile. And Mexico has been a key partner in our efforts to date to make this a reality.

Ladies and gentlemen, Canada is a country of the Americas. This is more than just a geographic cliché. It is a fundamental aspect of our identity. We are growing increasingly aware that expanding relationships with our hemispheric neighbours is a key to our future. For example, we look forward to hosting the General Assembly of the Organization of American States in the year 2000.

The clearest manifestation of the Canadian desire to take our place in the Americas is Team Canada '98. But, I want to assure you that we are not just here to sign business agreements and go home. We are in this for the long haul.

The fact that we have chosen Mexico as the first stop shows that we have a very special partnership. The work of Team Canada and its Mexican partners – supported by all levels of government – will ensure progress and prosperity for the people of Mexico and Canada well into the new millennium.

Before ending, I would like to make a "non-business" comment, if I may. It is to acknowledge, on behalf of Prime Minister Chrétien, the extraordinary work performed in Canada over the past four years by Her Excellency, Sandra Fuentes-Berain, the Mexican Ambassador to Canada. She has raised Mexico's profile in Canada, promoted the artistic-cultural side of her wonderful country, as well as enhanced our bilateral commercial relations. The Prime Minister has asked me to share with you today his very high esteem for Ambassador Fuentes.

After all, building strong relations between nations begins with people. Ambassador Fuentes has done a marvellous job, and today, all of us in this room – in particular the Mexican and Canadian business people – are living proof that our friendship will continue to flourish.

Thank you.



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1998

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NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
AT THE OPENING SESSION
OF THE CANADA-BRAZIL BUSINESS FORUM

BRASILIA, Brazil
January 15, 1998

This document is also available on the Department of Foreign Affairs and
International Trade Internet site: <http://www.dfait-maeci.gc.ca>



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It is a great pleasure to be with you today in this beautiful capital city. This is my second visit to Brasilia, and I am even more impressed by it this time around!

While I am always delighted to visit your beautiful country, as a Canadian of Italian descent, and as an avid soccer fan, you will understand that coming here can be difficult. It was, after all, Brazil that defeated Italy in the 1994 World Cup!

Later this year, the eyes of the world will be on France for the next World Cup. In the interest of diplomacy, I won't make any predictions! But for the time being, let's just keep our focus on trade and not on soccer and everything will work out fine!

Today, along with the Prime Minister, provincial premiers, territorial leaders and Canadian business leaders, I am here to reaffirm the strength of the Brazilian-Canadian relationship and to pledge our support for freer trade, not only here in Latin America, but around the globe.

We meet today as firm friends, united by experience and by our common commitment to the principles of freer trade. Last spring, those ties were confirmed by the visit of President Cardoso to Canada.

During his time with us, he and Prime Minister Chrétien discussed the creation of a framework for enhanced trade and of a Canada-Mercosur approach, and we remain committed to that strategy.

Brazil is already our most important trading partner in South America, but we know that there is tremendous potential still untapped.

Hopefully, following this trade mission, some of that potential will have been realized!

Of course, impediments still exist. Tariffs remain high in a number of areas, on both sides of the ledger. Customs procedures must be streamlined. And we are determined to work with business leaders to identify and remove roadblocks and red tape, and to let you in the business community get on with what you do best: creating jobs.

As I said, trade between our two nations is significant: two-way trade totalled more than \$2.5 billion in 1996. Our exports here reached \$1.3 billion that year, double the 1992 figure.

Traditionally, our exports consisted of wheat, newsprint and potash. But deregulation is opening up exciting new opportunities for Canadians in the fields of telecommunications and informatics; and in energy and mining.

What began as an investment by Brascan in public works nearly 100 years ago has developed into a mature, diverse and balanced trade

relationship today. Increasingly, our small and medium-sized businesses are discovering this region, and their interest is reflected in their preponderant representation in this trade mission. So it is with great optimism that we come here today and look ahead to the prospects for tomorrow.

This past year has been a busy one on the trade front for Canada, culminating with the APEC [Asia-Pacific Economic Cooperation forum] meeting in Vancouver just over a month ago. It has been a year in which hemispheric Trade Ministers agreed that FTAA [Free Trade Area of the Americas] negotiations should be initiated at the upcoming Santiago Summit – a decision that holds profound implications for the economic course of this hemisphere. And Brazil was central to achieving that consensus.

Whether chairing the FTAA process, forging closer ties within Mercosur or contributing to the broader vision of the Santiago Summit, Brazil has offered strong leadership at an historic moment.

Canada welcomes that leadership, and shares Brazil's vision of a bright economic future for this hemisphere. We have demonstrated our confidence in this region through our commitment to the FTAA process, through our free trade agreement with Chile, and through the development of a trade and investment co-operation arrangement with Mercosur.

The momentum that has been created for freer trade in this region must not be lost. That means that we must press ahead with negotiation of the FTAA, whether the U.S. administration has fast-track authority or not.

Canada's commitment to freer trade is a product of both hope and experience. When we entered into free trade agreements with the United States, and then Mexico in the NAFTA [North American Free Trade Agreement], we turned a page in our history. We moved from thinking of free trade as something to be resisted, to seeing it as something to be embraced.

We recognized that in the world of tomorrow, success will come to those nations that look outward, that see the whole world as their marketplace, and that appreciate the broadened perspective that comes with new partnerships.

To be sure, the adjustment has not always been easy. And I think we have to acknowledge very frankly the anxiety that many people feel about globalization – in our own countries and elsewhere around the globe. We must acknowledge and address those concerns. We must continue to demonstrate the benefits that freer trade brings and the opportunities it offers. We must show the connection between open markets and increased jobs. And we must prepare our people to take advantage of those opportunities.

Based on the Canadian experience, I can say without hesitation, that free trade has been worth it. The numbers speak for themselves: our trade with the United States has more than doubled since 1993, and now stands at more than one billion Canadian dollars every day! All of this has meant jobs for Canadians – nearly one million since 1993.

It is also interesting to note that the effectiveness of these new trading relationships is being reflected not only in hard numbers, but also in the hearts and minds of Canadians. Seventy percent of Canadians now support freer trade. And support for the NAFTA in particular is up from 37 percent in 1993 to 63 percent today.

Canadians know that free trade works. We have seen it. We are living it. And because we have confidence that freer trade is the wave of the future, we also understand the importance of taking the long-term view in our approach. This means being dependable partners who know better than to pull up stakes every time there's a blip in the markets.

I know Brazil is already realizing the benefits of trade liberalization. And your central role in Mercosur has demonstrated your belief in the value of clear rules and more open markets.

One of the most important new vehicles for trade liberalization is the FTAA. What was once a distant dream is now within our grasp – but only if we are prepared to make the hard decisions and do the hard negotiating. It is always easier to choose a destination than to chart a course, but chart it we must, and chart it we will.

The liberalization of trade that we seek in this hemisphere is both ambitious and historic. The FTAA will create the world's greatest trading region. But the benefits will extend far beyond the economic. For history teaches us that trade leads to more openness. It breaks down the walls that divide us, and creates common interest that unites us.

For Canada, the FTAA represents an exciting, ground-floor opportunity. Economies in this hemisphere are growing quickly, and are undergoing the deep, structural changes that will enable them to compete in the new global economy.

So the FTAA is a regional priority for Canada, and an integral part of our recognition of ourselves as a country of the Americas.

As we go forward with the FTAA, we must not lose sight of the principles of the Miami Summit: principles that reminded us that

our goal in liberalizing trade is not simply to increase national wealth, but to improve people's lives.

Because at the end of the day, we will be judged not on the grandeur of our plans, but on whether we increased the prosperity and expanded the opportunities of our citizens.

I expect that in the months ahead, we will face many challenges and encounter many storms. But when those storms come, we must not run and hide under the shelter of protectionism. We must not succumb to the voices whispering retreat or retrenchment.

Instead, we must stick to our goals. We must continue to pursue the path to freer trade.

Why do I stress this? Because if we let the FTAA slip away, we risk a patchwork quilt of overlapping, even contradictory trade arrangements, cluttering the hemisphere. Such a situation will only serve to frustrate and imperil our broader goals.

As a country of the Americas, Canada is committed to freer trade and to the FTAA. We see a great future in a growing region. And we see Brazil playing a key role in maintaining the momentum for freer trade. You can be sure that Canada intends to be a partner that invests and stays the course.

It was in 1813 that the great statesman and visionary, Simon Bolivar, wrote his famous letter in which he described his vision of what Latin America could become. He said, "the veil has been torn asunder. We have seen the light and it is not our desire to be thrust back into the darkness."

Today, the veil has again been torn. We have glimpsed the kind of progress and prosperity that awaits our two countries. We have seen the benefits that liberalized trade can bring.

Let us resolve not to turn from our course until the full potential of this hemisphere is realized, and all of its people share in its bounty.

Thank you.



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1998

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NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
AT THE BRASILIA BUSINESS LUNCHEON

BRASILIA, Brazil
January 15, 1998

This document is also available on the Department of Foreign Affairs and
International Trade Internet site: <http://www.dfait-maeci.gc.ca>



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It is great to be back in Brazil and to see so many old friends. When I was here in September, it was my privilege to participate in the *Canada nas Gerais in Belo Horizonte*, which was a wonderful opportunity to highlight the richness and diversity of Canadian culture.

Today, I return, along with hundreds of reinforcements, to showcase Canadian products and services. If Canadians keep coming to Brazil at the current pace, hockey will soon replace soccer as the national sport!

But it is understandable that Canadians would be interested in Brazil. This is a dynamic country of 160 million people – a country that is growing in wealth and influence on the world stage. And it is a nation in which Canadian business people feel confident that they can put down roots and establish long-term relationships.

Brazil is a nation of particular opportunities for Canada. Many of the areas of greatest growth here – infrastructure, telecommunications, energy and mining – are all areas in which Canada excels. In fact, some of the world's leading companies in these sectors are represented in this very room.

So there is a wonderful match between what Brazil is looking for and what Canada has to offer.

Today, I would like to speak very briefly about two matters: first, the exciting possibilities for our trade relationship, and second, to encourage Brazilian business leaders to look to Canada as a world-class place for investment.

First, our trade relationship.

The importance of Brazil to Canada is evident in the numbers: this is our largest export market in South America, and one of only 10 markets in the world where our exports exceed \$1 billion a year. And our relationship is growing: Canadian exports to Brazil have nearly doubled since 1993.

Of course, impediments still exist. Tariffs remain high in a number of areas, on both sides of the ledger. Customs procedures must be streamlined. But we are determined to work with business leaders to identify and remove roadblocks and red tape, to let you get on with what you do best: creating jobs.

When Brazilians think of Canadian products, many think of natural resources – which is appropriate. But one of the most significant developments in the Canadian economy in recent years has been the shift from resources to manufactured goods.

To be sure, we are still a major exporter of raw materials, but today, more Canadians are employed in the high-tech sector than

in mining, agriculture and forestry combined. So the foundation of our economy is changing, and so, too, is the nature of our exports.

Here in Brazil, that same trend is evident in the products we are selling. While wheat, newsprint and potash have traditionally dominated our exports, Brazil's deregulation of many key industries has opened new doors to Canadian investors and exporters alike. I am thinking particularly of the opportunities in telecommunications, informatics, energy and mining.

And Canadians have seized these opportunities. A quick look at some of the leading investors in Brazil demonstrates this growing trend:

- Northern Telecom has become a prime supplier of cellular and other telecommunications equipment in the central Brazilian states.
- Newbridge Networks has been awarded contracts to expand Embratel's high-speed digital network, and will be a key player in Brazil's telecom expansion.
- Alcan, which is now Canada's largest investor in Brazil, has made a major commitment to expanding its rolled aluminum facilities in the state of São Paulo. Alcan's revenues in Brazil are now over \$750 million.

All of these companies, and dozens more, are finding a ready market for their products. They are creating jobs for Brazilians and Canadians alike. And they are putting down roots in communities across Brazil.

A complementary part of any sound trade policy is investment. Indeed, investment creates more jobs and generates more economic activity than merchandise trade alone, and it establishes the long-term relationships that are so vital to our future together.

Canada is the seventh-largest foreign investor in Brazil, with total investments of nearly \$4 billion. But investments must flow both ways, and I want to spend just a moment telling you why Canada should be Brazil's first choice for investment abroad.

For starters, Canada offers a sound economic environment. The \$42 billion deficit that our government inherited in 1993 is expected to be eliminated by next year. Our economy is growing at the highest rate of all G-7 countries, and both inflation and interest rates in Canada are at their lowest levels in decades.

So we have both prepared for, and benefited from, a more open trade policy. Over 40 percent of our GDP [gross domestic product] is driven by trade, and one of three jobs depends upon exports.

Second, Canada is strategically located, bordering and highly accessible to, the largest market in the world – the United States. And with one shore touching the Atlantic and the other the Pacific, we are a natural "jumping off" point for companies wanting access to Europe and the Pacific Rim.

All of this has contributed to making Canada an extremely attractive investment location. Just how attractive was confirmed by a recent study conducted by KPMG. This was an exhaustive study of the specific, micro costs involved in establishing a new business in the United Kingdom, Germany, France, Sweden, Italy, the United States and Canada.

The study looked at everything from the cost of land and electricity to labour and telecommunications. Its conclusion was that Canada offers the very best climate for new investment. In fact, Canada emerged as number one in all of the eight industry sectors studied.

To take a stark example from the KPMG study, a European business setting up a typical 100-worker plant in Canada will save, on average, nearly US\$1 million annually over a similar site in the United States.

It may surprise you to learn that Canada was also found to have the lowest corporate tax burden.

The bottom line is that Canada is a high-quality, low-cost place in which to invest. It is also a great place in which to live, and should be the first choice among investors looking to gain a foothold in – and a gateway to – North America.

So when Brazilians think about international investing, a large red maple leaf should come to their mind - that's the message I bring today and that's the message that I invite every Canadian business person to take to your contacts around the globe.

Many of you have already begun the task of exploring a new relationship between Canada and Brazil. Someone has said that things would be better all around if we had your winters and you had our summers. Perhaps we can't combine our climates, but we can combine our energies and our efforts. We can build on the foundation that so many of you have laboured to create. And we can realize the full potential of our partnership.

It was more than 150 years ago when Simon Bolivar spoke of his desire to see the Americas fashioned into the greatest region in the world. "Greatest," he said, "not so much by virtue of her area and her wealth, as by her freedom and her glory."

Today, we have the opportunity to bring Bolivar's dream closer to reality. We can unite the Americas as never before, and create a region that is great in both wealth and freedom.

Let us pursue that dream together, and let us resolve not to pause until it is realized.

Thank you.



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1998

98/5

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**NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
AT THE OPENING OF THE BUSINESS PLENARY SESSION**

**BUENOS AIRES, Argentina
January 19, 1998**

This document is also available on the Department of Foreign Affairs and
International Trade Internet site: <http://www.dfait-maeci.gc.ca>



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It is a real pleasure to be with you this morning. I recognize that this is an early hour for many of you – especially those who have been enjoying the wonders of Buenos Aires all weekend, starting with Friday night's performance of Los Mejores del Tango at the Casa Blanca de Buenos Aires. The good news is that my friend Minister Fernandez and I have agreed not to favour you with our version of the tango this morning!

I must say that this feels very much like a homecoming for me. Argentina is the land of my birth, and although my family emigrated to Canada when I was only two, my parents always reminded me of my Argentinean roots – a legacy I have valued ever since.

I am due to meet with President Menem in a little over an hour, so all of you will benefit from my schedule and hear a much shorter speech than you would have otherwise!

I am delighted to be part of this Team Canada trade mission – the Prime Minister, provincial premiers, territorial leaders, and hundreds of Canadian business leaders, all here together to send one simple message: this country and this region is important to us and we want to do business here.

We come to Argentina filled with excitement about the opportunities for our relationship. Ties between our two nations have always been close. We have worked and struggled together in a number of international forums over the years. But we have never developed the kind of economic relationship that we are capable of.

We're here to change that. To the already strong bonds of friendship, we now want to add the strong ties of commerce.

So it is appropriate that we should be here at the start of a new year – a year of opportunity for governments of this hemisphere to chart an ambitious course; a year when the start of negotiations on a Free Trade Area of the Americas [FTAA] will be a prime objective.

Following this trade mission, many of us will meet again at the FTAA ministerial in Costa Rica in March, and of course, we look forward with great hopes to the Santiago Summit in April.

More than ever before, Canadians are focussing on Latin America. We see ourselves as a nation of the Americas. And we believe that the time has come to heed the ancient advice of Cervantes: "del dicho al hecho hay gran trecho" (from word to deed, long strides we need).

We must take those strides now – we must move from ideas to actions, from concepts to commitments and from intentions to institutions.

As we pursue the FTAA, we must not lose the momentum we have created. We must not be diverted, for example, by the U.S. Administration's failure to obtain fast-track authority, but must push on, day in and day out, in the challenging task of creating this important agreement.

In this effort, Canada looks to Argentina as both an ally and a kindred spirit. We are both mid-sized nations. We don't have the economic weight to dictate the flow of world events, so it is important that we stick together. And it is essential that we not put all of our eggs in one basket.

For Canada, this means branching out beyond our traditional economic ties with the United States and developing other, long-term markets. And that is why we are looking to Latin America.

This search for new partnerships is consistent with Canada's evolving approach to international trade. Just a few years ago, we were wary of opening up our markets and our borders. Like many people in many lands, there was anxiety about globalization — about its pace, its scope, its implications.

You know, change is never easy. It disturbs the comfortable. It can detach us from the certain and the safe. But it can also challenge our ingenuity. It can bring out the best in us. And it can open new vistas of opportunity.

Certainly, that has been the case in Canada, and today we see the advantages that freer trade can bring: exciting new markets; increased competitiveness and economies of scale.

We have also seen that Canadians can compete successfully on the world stage, and so we approach future trading partners with both confidence and enthusiasm.

This confidence is rooted not only in our success abroad, but also in the progress we have made at home. In recent years, Canada has turned its economy around, and today it is one of the strongest in the world.

The \$42-billion deficit that our government inherited in 1993 is expected to be eliminated by next year. Our economy is growing at the highest rate of all G-7 countries, and both inflation and interest rates are at their lowest levels in decades. Quite simply, Canada has both prepared for, and benefited from, a more open trade policy.

The numbers speak for themselves, and they speak eloquently: our exports are up more than 45 percent in just four years. Two-way trade with the United States has doubled since 1989, and more than one billion Canadian dollars — one *billion* — in trade now

crosses our border every day. Foreign investment in Canada has also soared.

And as I mentioned, the effectiveness of our more open trade policies is reflected not only in hard numbers, but also in the hearts and minds of Canadians. Seventy percent of Canadians now support freer trade. Support for the NAFTA [North American Free Trade Agreement] in particular is up from just 37 percent in 1993 to 63 percent today. Canadians no longer see trade as some obscure topic that interests only economists and politicians. They see its connection with their jobs and with their lives.

Perhaps it is appropriate that we also celebrate today the opening of a new education centre in Buenos Aires. The education centre will make it possible to introduce young people to a different culture, expose them to new ideas and expand both their horizons and their hopes.

And because these young people are more outward-looking in their approach, more comfortable with technology and more adaptable to change, we look to them for leadership in the exciting years ahead.

One of the things our experience with freer trade has taught us is the importance of a clear set of rules to guide our relationships and mediate our differences. The rules-based trading system provides stability and certainty in an increasingly interdependent world. It replaces the law of the jungle with a fair and equitable system of rights and obligations — and it requires us to observe those rules, not only when it is convenient, but even when it is not. And this applies to nations both large and small.

Negotiations are about to get started on the FTAA. As we go forward with this initiative, we must not lose sight of the principles of the Miami Summit.

Those principles, as you know, reminded us that our efforts should be directed at improving the opportunities and living standards for all of our citizens. Trade is not about enhancing the bottom line of a nation, it is about enriching the lives of its people.

So let us emphasize the social dividend of well-administered, open economies: new schools, hospitals, higher incomes and better labour and environmental standards.

In the years ahead, the Free Trade Area of the Americas will be one of the three big trading regions — along with Europe and Asia Pacific. A great future awaits us. Here in Latin America, economies are growing quickly, and are making the kind of deep,

structural changes that will allow them to compete in the new environment of globalized trade.

Canada is firmly committed to this region. We have seen the dynamic growth of Mercosur – now an integrated market of 240 million people, with a combined economy of more than \$1 trillion.

Trade among its members is four times what it was just five years ago, and their average GDP [gross domestic product] has been growing by more than three percent every year since 1990. Clearly, this is a region on the move.

With this kind of success and this kind of growth in a relatively short time, it would be tempting to pause, to consolidate, to rest a while. But while it might be tempting, it would also be wrong.

Wrong because events around the world are moving too swiftly to permit complacency. Wrong because we will quickly lose the gains we have won. And wrong because if we delay our efforts to create the FTAA, we risk a hemisphere cluttered with overlapping, perhaps even contradictory, trade arrangements.

It is crucial, therefore, for nations of this hemisphere to make a decision about where they want to go – whether they want to retreat into the old ways of the old days or step confidently into the future, reaping the benefits that freer trade can bring.

I believe this hemisphere is ready to move forward, to make the tough decisions and to do the tough negotiating. I believe it is ready to open the doors and to push down the walls that divide us. And I can promise you that Canada intends to be a strong partner in those efforts.

There is an old saying in Spanish: "*La amistad multiplica los bienes y reparte los males.*" Roughly translated: "Friendship multiplies our blessings and divides our ills."

In the days and weeks ahead, let us work together as friends, plan together as partners and advance together as allies.

With our combined efforts and energies, I have every confidence that we will succeed.

Thank you.



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NOTES FOR AN ADDRESS BY THE
HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
AT THE
CANADA-CHILE FREE TRADE AGREEMENT
PLENARY SESSION

SANTIAGO, Chile
January 21, 1998

This document is also available on the Department of Foreign Affairs and
International Trade Internet site: <http://www.dfait-maeci.gc.ca>



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I am delighted to be here today at the dawn of a new year, at a time of new beginnings, celebrating the start of a new phase in our trading relationship.

Today marks an important milestone in the relationship between our two countries. As you have heard from Minister Insulza, the Canada-Chile Free Trade Agreement [CCFTA] Commission has just met for the first time, and an exciting new stage of our economic co-operation has begun. We have started to breathe life into the Agreement we negotiated and to realize the potential that it holds.

Important progress has already been made. The working groups will ensure that the Agreement functions as it should. And our agreement on double taxation means you can invest and do business in Canada with confidence.

Together, we are working to ensure that the CCFTA provides a secure foundation for our expanding partnership.

Canada has great hopes for this relationship. Annual two-way trade between us now stands at about C\$760 million. We see that figure multiplying several-fold in the coming years. We also see the Free Trade Agreement with Chile as an important contribution to the cause of freer trade around the globe – an example for others to follow.

Chile is the final stop of this Team Canada trade mission. It has been an exhilarating couple of weeks. Canadian companies, from every part of the country, have demonstrated their interest in doing business in Latin America, in putting down roots here and in becoming long-term partners.

It is appropriate that our trade mission should end here because Chile and Canada have so much in common. Chile, like Canada, is a global trader, depending heavily on exports for its national wealth. Like Canada, Chile is a mid-sized nation that can't afford to limit itself to one market or one region.

Both Chile and Canada have recognized that freer trade is an idea whose time has come, that the way to future prosperity does not lie in hiding behind protectionist barriers, but in opening ourselves up to new opportunities, new ideas and new markets.

But we also know that many people feel anxious about globalization – in our own countries, and right around the world. Those concerns must be addressed. We have to demonstrate to people that there's a place for them in the exciting future that is unfolding and reassure them that they will be able to participate in its prosperity.

That is why the side agreements on labour and environment are so important. These agreements, which are well on their way to being implemented, are really about people. They are about broadening

the benefits of freer trade and ensuring that the reduction and elimination of trade barriers bring real benefits to the lives of our citizens.

I can tell you, quite candidly, that the move to freer trade for Canada has not always been easy. Adjustments had to be made. Attitudes had to be changed. But I can also say, without hesitation, that it's been worth it.

The numbers speak for themselves: Our exports are up more than 45 percent in just four years. Each year, we seem to set a new record trade surplus. Our trade with the United States now amounts to more than one billion Canadian dollars every day. Foreign investment in Canada has soared since 1993, and more than one million new jobs have been created in the last four years.

It is interesting to note that the effectiveness of our more open approach to trade is reflected not only in hard numbers, but also in the hearts and minds of Canadians. Seventy percent of Canadians now support freer trade. Support for the NAFTA [North American Free Trade Agreement] in particular is up from just 37 percent in 1993 to 63 percent today.

Canadians no longer see trade as some obscure topic that is only of interest to economists and politicians. They see its connection with their jobs and its relevance to their lives. They see the opportunities it brings and they see themselves competing successfully on the international stage.

Canadians recognize that their continued economic prosperity means looking beyond their own frontiers. That's why we're so excited about our relationship with Chile. This region is increasingly important to Canada.

While we look forward to the day when Chile takes its rightful place at the NAFTA table, we were not prepared to wait for the U.S. Congress. We negotiated the [Canada-Chile] Free Trade Agreement because Canada has confidence in Chile.

We see Chile as a natural gateway for exports, investments and partnerships with the entire region. That process – of seeing Chile as a base for operations – is already well under way. Canada is already the second largest foreign investor in Chile and a number of Canadian companies have established substantial operations there – companies such as:

- B.C. Bearings, which now has three offices in Chile supplying high-quality ball bearings to the mining and forestry sectors;
- Placer Dome, with its huge Zaldívar and La Coipa copper and gold mines, employing many Chileans in the Second and Third Regions;

- Newbridge Networks, which together with its local Coasin subsidiary, is providing Chile and other countries in the region with high-technology products and communications solutions;
- Novacorp, which has completed a celebrated pipeline project bringing natural gas to Santiago from Argentina and is pursuing major new opportunities in the Concepción area; and
- Methanex Corporation, with its billion-dollar methanol production facility in Punta Arenas – soon to be the largest such plant in the world.

These companies, and many others, have recognized the benefits of Chile's superb banking and other services. They have seen the advantages Chile offers as a point of entry into other Latin American markets. And they are already profiting from the tariff-free access conferred by the Free Trade Agreement between our two countries.

I know that expanding business opportunities elsewhere in the region will be a major theme in your plenary later this afternoon, and I would encourage you, as leaders of the Chilean and Canadian business communities, to make full use of our Free Trade Agreement as you pursue these other opportunities.

Canadians understand the potential of Chile. They see a dynamic market in a growing region. They see Chile's stable economy, growing middle class and high savings rate.

So we were not really surprised when more than 1100 companies attended the seminars we held across Canada on the Free Trade Agreement. A very strong foundation has been laid and we have every confidence that great things will be built upon it.

Speaking of foundations – as Canada begins the next stage of its work in this hemisphere, we do so with our own economic house in order. The \$42-billion deficit our government inherited in 1993 is expected to be eliminated by next year. Our economy is growing at the highest rate of all G-7 countries, and both inflation and interest rates in Canada are at their lowest levels in decades. As you can see, we have both prepared for, and benefited from, a more open trade policy.

I spoke earlier of this as a time of new beginnings. Over the past few days, we have established many contacts, signed many agreements and advanced many partnerships. I think every Canadian on this trip will come away with a sense of the possibilities here.

Many have come to see themselves as connected to this region, perhaps not by birth, as I am, or even by formal partnership, but certainly by outlook and philosophy. We have added a Latin beat to our enthusiasm for freer trade.

As we look ahead, we see exciting opportunities for mutual benefit. We see Chile and Canada playing a great role at a historic moment. We are partners at the WTO [World Trade Organization], working together in pursuit of broad trade liberalization. We are partners in APEC [the Asia-Pacific Economic Cooperation forum], reaching out across the Pacific to develop new forms of co-operation. Beyond that, we see a Free Trade Area of the Americas [FTAA].

During our Commission meeting earlier today, Minister Insulza and I reaffirmed our mutual commitment to the launch of the FTAA negotiations at the Summit meeting in Santiago in April. We recognized that there is a shared desire, and a unique opportunity, to build a true sense of community in the hemisphere – and that this was an opportunity we could not afford to miss.

In that effort, Chile and Canada must work together. Geography has not made us neighbours, but history has made us friends and commerce is making us partners. Let us develop that partnership, expand its scope, extend its benefits and give all of our people the opportunity to lead better lives.

We have taken an important step in that direction today. But we know there is still much more to do. So let us remember the wise words of Cervantes, "*del dicho al hecho hay gran trecho*" – "from word to deed, long strides we need." Let us have the courage to take those long strides.

And let us take them together.

Thank you.



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1998

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FIRST MEETING OF THE CANADA-CHILE
FREE TRADE AGREEMENT COMMISSION:
JOINT STATEMENT OF THE MINISTERS

SANTIAGO, Chile
January 21, 1998

This document is also available on the Department of Foreign Affairs and International
Trade Internet site: <http://www.dfait-maeci.gc.ca>



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Following the inaugural meeting of the Canada-Chile Free Trade Agreement Commission meeting on January 21, Chilean Foreign Minister Jose Miguel Insulza and Canadian International Trade Minister Sergio Marchi are pleased to release the joint statement of the Governments of Canada and Chile which outlines the overall results.

JOINT STATEMENT OF THE MINISTERS

We welcomed the opportunity to hold this inaugural meeting of the Canada-Chile Free Trade Agreement (CCFTA) Commission here in Santiago in the context of the Team Canada visit to Chile. The scope and magnitude of this mission exemplifies the unprecedented interest of our governments and private sectors to forge a deeper, more robust partnership.

The conclusion of the CCFTA, and the launch today of its Commission, heralds a new era in our bilateral cooperation, which has already expanded significantly in recent years. Indeed, our two-way trade has doubled over the past four years to US\$560 million (C\$760 million) in 1996, and Canada has become the second-largest foreign investor in Chile with current and planned investments approaching US\$6 billion (C\$8 billion).

Through this early first meeting of the Commission, we reaffirmed our commitment to implementing fully the provisions of the CCFTA, which will promote enhanced trade and investment flows, and contribute to stronger economic growth and the creation of new high-quality jobs in both of our economies.

With the entry into force of this Agreement on July 5, 1997, tariffs were eliminated on products which make up the majority of our two-way trade. Market access on remaining products has been further enhanced with the second round of tariff cuts on January 1, 1998. We are confident that our two-way trade will expand significantly, and will be boosted by the realization of numerous commercial initiatives undertaken during the Team Canada visit.

We reviewed the progress achieved in implementing the specific provisions of the CCFTA. In particular, we welcomed the signature this morning of the Convention on the avoidance of double taxation, the first of Chile's new generation of tax treaties, which meets one of the key commitments contained in the CCFTA (Annex O-03.1). This Convention will facilitate the growth in trade and investment between our countries by establishing a more stable taxation framework for our individuals and companies doing business in each other's country.

We took a number of specific actions in respect to the institutional development and further elaboration of the Agreement, which are outlined in the Annex to this statement.

We took note of the significant progress that has been made in implementing the labour and environment side agreements concluded in parallel with the CCFTA. The first meeting of the national secretariats under the Canada-Chile Agreement on Environmental Cooperation took place in Santiago in December, and advanced a number of key institutional issues. Under the Canada-Chile Agreement on Labour Cooperation, the first cooperative activity -- a seminar on labour standards and occupational safety and health -- was held in Santiago earlier this month. The full and effective implementation of these agreements will enhance our understanding of labour and environment issues in our countries and broaden the benefits of liberalized trade across all elements of our civil societies.

We agreed on the importance of sustaining the momentum for further and comprehensive trade liberalization across a range of multilateral and regional fora. At the multilateral level, our priorities are to ensure the fullest possible implementation of all existing WTO commitments, to complete the WTO's work program, and to organize the preparatory work for a possible new round of multilateral trade negotiations. Noting that 1998 marks the 50th anniversary of the GATT, we agreed that this will be an ideal occasion to highlight to the public the importance of the multilateral trading system to economic growth and prosperity, and the challenges and opportunities that lie ahead. We agreed to work together prior to the May 1998 WTO Ministerial Conference to ensure that this meeting is as productive as possible in advancing further multilateral trade liberalization, particularly by instructing WTO bodies on the work necessary for the preparation of the substantive agenda for the 1999 WTO Ministerial Conference.

In the context of the recent meetings of APEC Leaders and Ministers, held in Vancouver last November, and in view of the mutual understanding reached in this forum, we agreed to work together to achieve the goal of free and open trade and investment in the Asia Pacific region.

Finally, we endorsed the continued dismantling of trade barriers in the hemisphere through expanded bilateral and regional trade agreements, and welcomed the opportunities created for Canadian and Chilean companies to join forces in pursuing commercial prospects throughout the region. In particular, we noted the significant progress that has been achieved in the preparations for the Free Trade Area of the Americas (FTAA), and the historic opportunity before us to realize a comprehensive free trade agreement in the hemisphere. We agreed on the central importance of moving forward with this initiative and agreed to redouble our efforts to work together with our partners in the hemisphere to ensure the successful launch of the FTAA negotiations at the Santiago Summit in April.

ANNEX TO THE JOINT STATEMENT OF MINISTERS: IMPLEMENTATION ACTIONS

In accordance with its mandate to oversee the implementation and further elaboration of the Canada-Chile Free Trade Agreement, the January 21, 1998 inaugural meeting of the Free Trade Commission established pursuant to this Agreement:

- 1) took note that all seven Committees and Working Groups established by the Agreement are operational, and instructed the responsible officials to develop workplans for each body in accordance with the mandates provided in the CCFTA and to report on progress achieved to the next meeting of the Commission;
- 2) received the report of the Committee on Trade in Goods and Rules of Origin which met earlier this week in Santiago and agreed on a package of technical rectifications to amend Chapters C and D of the Agreement and the Uniform Regulations for Chapter D, which will be confirmed by a subsequent exchange of letters;
- 3) welcomed the completion and dissemination of the Canadian public explanatory document on the procedures in the Agreement for the temporary entry of business persons, as called for in Article K-04.1(b) of the Agreement, and looked forward to the completion of the Chilean counterpart document by the established deadline of July 5, 1998;
- 4) took note of the progress of the Committee on Telecommunications Standards in developing conformity assessment procedures for the mutual acceptance of testing results from facilities in our respective countries, as called for in Article I-04.6 of the Agreement, and expressed its expectation that the Committee will complete this process by July 5, 1998;
- 5) decided to establish a Working Group on Investment and Services with the following responsibilities
 - to focus on actions required by the Parties to implement the Agreement (e.g., further liberalization of quantitative restrictions, elimination of certain citizenship or permanent residency requirements, and work programs on licensing or certification of professional service providers)
 - to exchange pertinent information with respect to the laws and other measures that may affect investment and cross-border services
 - to monitor implementation of the chapters on investment and cross-border services

- to develop procedures for consultation and notification on relevant matters, and
- to meet or consult annually, or at the request of either Party;

6) took note of the designation of the Canadian national section of the CCFTA Secretariat, pursuant to Article N-02.1, to provide administrative assistance to dispute settlement panels established under Chapter N of the CCFTA and otherwise facilitate the operation of the Agreement, and of Chile's intention to designate its national section shortly;

7) instructed officials to complete the rosters of panelists for dispute settlement purposes called for under Chapter N and Section II of Chapter G of the Agreement, and the rules of procedure for dispute settlement called for under Article N-12, and to report on progress to the next Commission meeting;

8) agreed that Canada would host the next regular meeting of the Commission in 1999.

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Statement

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NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI,
MINISTER FOR INTERNATIONAL TRADE,
TO THE
CENTRE FOR TRADE POLICY AND LAW



OTTAWA, Ontario
February 13, 1998

This document is also available on the Department of Foreign Affairs and International Trade Internet site: <http://www.dfait-maeci.gc.ca>



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It's a special pleasure to meet with you this morning because we have something important in common. In your various capacities as students, academics, and experts, you are all involved in studying international trade. And that is what I have been doing, too, since I took on the trade portfolio last summer - studying this complex field, familiarizing myself with a host of crucial issues, and looking for the best new opportunities for Canada.

You might say that as International Trade Minister, I am Canada's "minister in charge of deals". Whether through trade missions like our very successful Team Canada trips, through bilateral or multilateral trade negotiations, or through helping Canadian companies be more aware of trade opportunities and more effective in pursuing them, my job really comes down to one thing: Helping Canadian businesses - and through them the Canadian public - get the best possible deals.

I am very aware of the importance of this responsibility. Canada is one of the most trade-oriented nations in the world. Trade now accounts for over 40 percent of our Gross Domestic Product. One in three jobs in Canada is dependent on trade. Every billion dollars of exports sustains 11 000 jobs for Canadians.

But I'm also aware that my job isn't just to go out and get a deal - any deal. Just as the first rule of medicine is "Do no harm", the first rule for a trade minister is: "Accept only deals that are good for Canada." We look at a lot of possibilities, explore a lot of options, and participate in a great many negotiations. But at the end of the day, a deal is only worth accepting if it supports our Canadian values and advances Canadian interests.

It is in this context that I want to talk to you today about the negotiations that are now taking place in Paris toward a Multilateral Agreement on Investment, widely known as the MAI. Those negotiations, at the Organization for Economic Co-operation and Development, the OECD, have been going on for the past three years. They are scheduled to conclude this spring, though it is certainly possible that they will take longer.

I know that there is a considerable and growing interest in Canada about the MAI - and I am glad about that. In fact, I have personally done my best to encourage informed discussion on this subject since I became trade minister last summer.

I believe that Canada is best served when Canadians are fully aware of important policy issues as they develop and have ample opportunities to express their views. But I also believe that it is vital that such debates be on the facts as they really are, and that they do not get sidetracked by distortions or misunderstandings.

In this spirit, I want to continue the dialogue today by sharing with you three key messages about the MAI:

- First, there is nothing mysterious or secretive about our involvement in the MAI negotiations.
- Second, if it can be achieved, a good and fair set of rules for international investment would in principle be a good thing for Canada.
- But, third, at the end of negotiations, I will not sign on Canada's behalf an MAI that does not fully support key Canadian values and safeguard vital Canadian interests.

Let me speak briefly about each of these points in turn:

Some people have tried, for their own reasons, to depict the MAI negotiations as somewhat clandestine and, therefore, by implication, somehow sinister. That is simply not true.

The fact is that Canada's Trade Minister and his colleagues from other OECD countries announced their decision to launch MAI negotiations when they began three years ago – and no one paid much attention. Specifically, the announcement was made on May 24, 1995. At that time, of course, there wasn't a lot to talk about. The preliminary phases of such negotiations are quite abstract and technical, and there wasn't much shape or substance on the table.

It is true that the negotiations have been conducted in confidence. But that's not because we've all been up to no good. It's simply because that is how such international negotiations are always conducted. As a participant, Canada didn't have the option of breaching confidentiality by prematurely releasing draft materials that contained the preliminary positions of other countries.

The negotiations entered the most substantive phase around the time I became trade minister. Since then, I have done my best to inform the Canadian public, and to be open and responsive. I have been open to numerous media interviews on this subject, I have provided ongoing information to all members of Parliament, and my officials and I have consulted widely with provincial governments, non-governmental organizations and Canadian businesses to seek their input. And finally, I requested the House of Commons Sub-Committee on International Trade to hold hearings on the MAI to give a broad range of Canadians an opportunity to express their views.

I want to take this opportunity to commend the Sub-Committee for its contribution. In its thoughtful report, the all-party

Sub-Committee recommended that Canada continue to participate in the negotiations and gave the Government valuable advice on the objectives Canada should seek. We will be responding publicly in the next few weeks. I will also continue to welcome further constructive input from organizations and individuals.

So, I repeat, there is nothing mysterious about Canada's involvement in the MAI negotiations.

Secondly, it's also no mystery why we are participating or why the right deal has the potential to be very good for Canada.

The MAI is an attempt to negotiate an internationally accepted set of rules for the treatment of foreign investment, just as there are already rules for international trade. The current negotiations are limited to the 29 member countries of the OECD. But the game plan for Canada is to develop an agreement that would eventually serve as the foundation for a worldwide treaty negotiated through the World Trade Organization [WTO], whose membership is 130 countries strong.

For more than two years, Canada has pressed for this issue to be discussed in a multilateral forum. It was Canadian leadership that helped initiate the WTO Working Group on Trade and Investment at the last WTO ministerial meeting in Singapore in 1996. I believe that the WTO is the ultimate destination, and most effective home, for any MAI. And Canada is presently working toward this goal. Surely, then, the critics would not want Canada to stand isolated, on the outside of such a global deal on investment.

This matter of investment is of enormous potential importance because in today's global economy, foreign direct investment goes hand in hand with trade. The two cannot be delinked.

That's why, in fact, world investment is growing twice as fast as trade. Yet, there is no multilateral framework of rules for investment. In many countries - particularly developing countries beyond the OECD - the treatment of foreign investment remains unpredictable.

And yet these are countries that represent the emerging markets in which our export-oriented Canadian companies will increasingly need to be able to confidently invest and expand if they are to continue to grow and create jobs here at home. As a matter of national trade policy, we need to continue to diversify our markets beyond the United States. So, we want Canadian investors abroad to be treated as fairly and predictably as we treat foreign investment here.

Investment flows are particularly important for Canada. We are host to 180 billion dollars of foreign investment. And we know

that every billion dollars of foreign investment generates over 45 000 jobs over five years.

Likewise, Canadians have invested 170 billion dollars abroad. That investment brings access to new markets and new technologies, pays substantial royalties and dividends to Canadians, and makes our companies competitive players in the global market place.

And, the fact is that we already have clear, transparent and fair rules for foreign investment in Canada – some of the best and most advanced rules in the world. So, the right kind of MAI would ensure the same kind of treatment for Canadians abroad, without requiring us to substantially change what we are already doing.

Despite this, I know that some critics are arguing that Canada shouldn't be participating in these MAI negotiations at all. They say that we should leave the table and watch from the sidelines.

What confuses me is that many of the people making this argument are the same ones who opposed the Canada-U.S. Free Trade Agreement and NAFTA [North American Free Trade Agreement] by arguing that we should put all our faith instead in the multilateral treating system and the pursuit of agreements on a global scale.

But if they oppose bilateral agreements and now they fight multilateral agreements, too, what is their vision for Canada within the international community? The only remaining option, turning inward on ourselves with some kind of Fortress Canada mentality, doesn't strike me as a very good plan for a country as dependent as ours on international trade and investment for its economic prosperity and quality of life. After all, multilateralism is part of the Canadian DNA.

Canada has a long history of active participation and leadership in the development of the international trading system. So, it is natural for us, in principle, to welcome the further evolution of that system to include this vital field of international investment. Indeed, as a medium power, Canada has fared much better under a system when there are transparent rules to guide nations' behaviour.

When the International Monetary Fund and the World Bank were created, when the General Agreement on Tariffs and Trade was created, when the General Agreement on Trade in Services was created – in fact, every time an important multilateral agreement of any kind was created – Canada was there, at the table. None of these agreements was unanimously popular. None was perfect or easy to achieve. But you can't hope to wield any influence by running away and refusing to talk.

Are Canadians prepared to accept the decline in our standard of living that would be sure to result from trying to hide from globalization? Or, would they want us instead to seek to use it to our advantage while ensuring that vital Canadian interests and values are safeguarded? The answer is obvious.

The reality, it seems to me, is that all we would accomplish by staying away from the negotiating table would be to forgo any chance of shaping an agreement that works to our advantage. The other 28 countries might well reach an agreement without us, and it would certainly be one oblivious to Canada's particular needs and concerns. What credibility or sympathy could we hope for in trying to change it at some later date, if we refused to take part in the initial work?

You know, anyone who played hockey as a kid or who has children playing hockey now will remember what every good coach drills into young players: "You can't score if you don't shoot." The same is true of international trade negotiations: You can't score a good deal if you don't take your best shot at negotiating it.

That brings me to my third and final point. And let me be very clear on this: Participating in negotiations does not commit us in advance to signing whatever deal happens to result from the process. A deal that meets Canada's interests and requirements would be a good thing for Canada. But if these negotiations don't produce such a deal, we can live without it, for however long it takes.

I want the right deal, at the right time — not any deal, any time.

I have said all along that I will only accept an MAI that is consistent with our national values and our Canadian approaches to key issues. I want to reiterate that today. Some very legitimate concerns have been expressed about how some potential aspects of the wrong kind of MAI deal could be detrimental to Canada. I and my colleagues in the Government not only understand those concerns, we share them.

And so the professional doomsayers should try to calm themselves and stop trying to alarm everyone else. The MAI is not a threat because we will not sign a threatening MAI.

More specifically, I want to assure Canadians again, with absolute clarity, that I will not accept an MAI that lacks any of the following elements, among others:

- First, a narrow interpretation of "expropriation" that makes it entirely clear that legislative or regulatory action by government in the public interest is not expropriation requiring compensation, even if it has adverse profitability

consequences for companies or investors. We have no intention of leaving the Government open to the prospect of being hauled before an international tribunal by companies or investors from any of the 28 or eventually 100 or more countries whenever it legislates to safeguard the interests of our people.

- Second, ironclad reservations – at both the national and provincial level – that completely preserve our freedom of action in key areas, including all the following:
 - health care
 - social programs
 - education
 - culture
 - programs for Aboriginal Peoples and minority groups
- And, finally, no standstill or rollback requirements in any of these areas of reservation or exception I have just mentioned. In other words, in these areas we will not accept any restriction on our freedom to pass future laws, or any commitment to gradually move our policies into conformity with MAI requirements.

With regard to culture, we support excluding culture from the MAI altogether. But if that pursuit of a total carve-out is unsuccessful, we will proceed by country-specific reservation in this area, as in the other areas I have mentioned.

We will also not accept an agreement that adversely affects Canada's supply management regime. We will take the necessary reservations to preserve investment measures specific to our agricultural interests and sensitivities. The same will apply to the management of our natural resources.

In addition, there are important questions as to how the MAI will approach broader issues regarding labour and environmental standards, and whether we should call for binding or non-binding language. Even experts in non-governmental organizations agree that this is a complex issue in which it is very important to avoid unintended consequences. That's why I want to take all the time necessary for full consultation with provincial governments and other interested parties, so that Canada can take the strongest and soundest positions possible.

We are also continuing to push hard for clear provisions in the MAI against the extraterritorial application of laws on investment, as in the case of the United States' Helms-Burton Act regarding Cuba. I don't see how an effective set of rules for international investment can fail to deal with this issue.

Our negotiators in Paris – who are some of the best trade negotiators in the world – have been fighting hard for Canada's interests throughout the MAI process. They tell me they are cautiously optimistic that an agreement which meets the stringent requirements I have just described is achievable. It is important to note that in a number of the areas I have cited, including culture and the interpretation of expropriation, other countries share our concerns, and Canada is far from alone.

Time will tell. In international negotiations, you never know the outcome for certain until the end. The talks may conclude this spring as scheduled, or the process may turn out to take longer. There may be a successful agreement among all 29 countries, or a lack of consensus on some key points, or an agreement acceptable to some countries but not others. It is therefore more important to do it right rather than to do it fast.

The one thing I foresee is a happy ending for Canada, whatever happens. If there is an agreement that meets all our requirements, we will sign it and welcome another step forward in the development of the world's trading system. If our requirements are not met, we will not sign – and we will still continue to attract investment as a country known for the openness, fairness and transparency of its rules.

Being afraid to participate in trying to shape progress is not the Canadian way, nor the way of the Canadian government of which I am proud to be a part. But I assure you that even less will we ever fear to stand up for and protect Canada's interests and values.

Together with Canadians, this government is committed to building a better future for ourselves and our children on the basis of safeguarding and nurturing those interests and values, and we will never settle for anything less.

Thank you very much.

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Statement

98/9

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
ON THE OCCASION OF
THE LAUNCH OF THE FINAL REPORT OF THE
CARNEGIE COMMISSION ON PREVENTING DEADLY CONFLICT

OTTAWA, ONTARIO
February 17, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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Ladies and gentlemen:

I am very pleased to have this opportunity to welcome the final report of the Carnegie Commission on preventing deadly conflict. A scholar once said that generals are always preparing for the last war. Yet the need to look ahead to coming conflicts — to prevent rather than to react — has never been greater.

With a crisis looming in Iraq, we are all acutely aware that the actions of one country can threaten the stability of an entire region and beyond. Having witnessed the tragedies of Rwanda and Bosnia, we are hardly in need of further proof of the urgency of conflict prevention. But we have it anyway, in the events now unfolding in Iraq. It is Canada's strong and expressed desire that the situation in the Gulf be resolved through diplomatic means. But, as the Commission's report puts it, "In the acute phase of a crisis, assertive steps may be necessary to deny belligerents weapons and ammunition." It is essential that the authority of the United Nations [UN], as the premier multilateral force for conflict prevention, be upheld.

The New Threat from Weapons of Mass Destruction

The Carnegie Commission has also underlined the threat to our global security environment posed by weapons of mass destruction. The Commission calls for governments to seek the most effective categorical prohibition against the use of chemical and biological weapons. Respect for such a prohibition is crucial in preventing the darkest incidents of deadly conflict.

Beginning in the 1920s, the international community has constructed an impressive legal bulwark against chemical and biological weapons. But legal prohibition is effective only to the degree that all subscribe to it and it is enforced. Yet we are dangerously short of effective tools for enforcement in the face of new threats. During the Cold War, the focus of international disarmament efforts was, with justification, on the nuclear threat. In an era of "suitcase" weapons of mass destruction — weapons which are both deadly and easily available — we urgently need new, additional tools.

That is why the inspection regime established by the UN in Iraq (the United Nations Special Commission on Iraq, or UNSCOM) is so important. UNSCOM provides the international community with the tools to rid Iraq of weapons of mass destruction, and to ensure that these weapons are never developed again. Canada, along with our principal allies, insists on respect by Iraq for UNSCOM, because a failure of UNSCOM would be a harbinger of things to come. It would signal open season to terrorists or dictators who use chemical and biological weapons as their killer of choice.

We should not doubt the seriousness of the threat. Saddam Hussein has already shown his willingness to unleash these banned weapons. During the 1980s he used chemical weapons against

Iranians and his own Kurdish population on at least 10 occasions. While we do not have precise figures, some calculate the civilian and military casualties in the tens of thousands.

Iraq is far away, and these weapons may seem like an abstraction. But the surest means of guaranteeing that they are not developed and are not passed into the hands of those who could bring them to our shores is to be adamant now about compelling Iraqi compliance with the UN inspection regime it has subscribed to. Nothing more — but nothing less — is asked of Iraq. The international community cannot afford to be complaisant in the face of a breach of our global defences against chemical and biological weapons. That is why Canada is taking the stand it has, and why we are prepared to back up our diplomacy with force if need be.

The Changing Nature of Conflict: from Inter-state to Intra-state Wars

The current crisis in Iraq has its origins in a war between states: the Gulf War of 1990-91. However its roots lie deeper in Iraq's internal political history, in the seizure of the Iraqi state by a brutal, authoritarian regime. Furthermore, after defeat in the Gulf War, Iraq has continued an undeclared internal war on its Kurdish minority. In Rwanda and Bosnia, we witnessed wholly internal wars that brought these states to the brink of internal collapse and trapped them in cycles of violence and instability. In all cases, the majority of victims were civilians, and children and women were often deliberately targeted. The Carnegie Commission report highlights this, perhaps the most severe risk in the post-Cold War international landscape: the growing prevalence of bitter conflicts within states.

In this context, preventing conflict and building truly sustainable peace requires not only efforts at disarmament and peacekeeping; it also requires promoting economic and social sustainability, justice, reconciliation and freedom. I share the view of the report's authors that only by addressing these broader needs of human security will we succeed in ending cycles of internal violence.

As it is with the existing regime to control weapons of mass destruction, so it is with many other of our current tools and institutions. They are being called upon to undertake tasks for which they were not originally designed. Governments and international institutions used to dealing with conflicts between sovereign states increasingly deal instead with problems that cut across or ignore state borders: global markets, market failure, ethnic and civil conflicts, failed states, terrorism, organized crime and environmental degradation.

If existing states and international organizations cannot deal with global issues, and if markets cannot be left to themselves, a new form of governance is needed to fill the interstices between territorial states, global markets and the new global civil society: a form of humane governance that responds to the new threats to human security.

Building a new form of governance is a tall order — and we are still in the very first stages of the task. But I see encouraging signs of new thinking, new practice and emerging consensus around certain key issues in preventing conflict and building peace and human security. Many of the recommendations of the Carnegie Commission converge with work that Canada is undertaking in the campaign to ban anti-personnel landmines, through our Peacebuilding Initiative, at the UN and elsewhere.

Building Human Security: the Ottawa Process

The Carnegie Commission has rightly identified disarmament, be it nuclear, chemical and biological or conventional, as an important element of conflict prevention. The treaty banning anti-personnel landmines signed in Ottawa last December is only the first step on the road to a world free of landmines, but it is nonetheless an important one. The treaty is significant both as a new instrument of disarmament and also as an indicator of the new approach to governance required to prevent or reduce conflict. The process which led to the treaty — what has become known as the Ottawa process — is, I believe, a sign of things to come.

The landmines campaign was successful because it combined various tools and approaches — some old, some new — in ways that had never been done before. The campaign was initiated and sustained by a unique coalition of NGOs [non-governmental organizations], international organizations, governments and committed individuals, including a core group of two dozen medium and small states. This "coalition of the willing," formed around a clear and irreducible objective, took the issue outside the usual international institutions and created a stand-alone negotiating forum designed for rapid, meaningful action. Combining old-fashioned diplomacy with the latest information technology, the coalition went from a concept to a treaty with 122 signatories in just over a year — despite the initial scepticism and, in some cases, the active opposition of the big powers.

I believe the land mines campaign represents a turning point in the development of a new humane governance. The Ottawa process was driven mainly by humanitarian values, not by traditional military security interests. Not only did international public opinion establish new limits to the conduct of warfare, but we witnessed a new form of political participation. With universal humanitarian values at stake, transmitted through new information technology, the emerging "global commons" demonstrated its power.

The landmines coalition represents a new international force, one whose "soft power" derives not from military or economic might but from attractive ideas, shared values and partnership. While the exact trajectory of the Ottawa process is unique, some of its elements — for example, full partnership with and participation of civil society — might be adaptable to other aspects of conflict prevention, such as restricting flows of small arms and narcotics, and ending reliance on child soldiers. The Canadian government is currently developing pilot projects and considering initiatives with our Ottawa process and regional partners to apply some of the lessons learned from the Ottawa process in these areas. At the same time, we will be focussing on strengthening and expanding the landmines coalition as we pursue treaty ratification and implementation.

The Canadian Context: the Peacebuilding Initiative

In working to ban landmines or to take children off the battlefield, we are moving well beyond the realm of traditional disarmament measures toward addressing the root causes of conflict. Perhaps the most significant conclusion of the Carnegie Commission report is this: it is not enough simply to prevent conflict. We must also actively work to build peace.

It was in this spirit that, with my colleague the Minister for International Co-operation, I launched the Canadian Peacebuilding Initiative just over a year ago. Its aims are twofold: to help countries in conflict achieve peace and stability, and to develop Canadian capacity and activity in international peacebuilding. The initiative is mobilizing Canadian expertise and resources across government, academia and the non-governmental community in response to the needs of countries at risk of, or emerging from, internal conflict. Our approach is based on three factors that the Carnegie Commission also highlighted: advance preparedness; a broadly integrated approach; and rapid, innovative response.

Through the Peacebuilding Initiative, we are starting to test out many of the tools and concepts that the Carnegie Commission calls for as part of a new international approach to conflict prevention. We are taking the lead in international efforts to find creative approaches to problems at the intersection of security and development efforts. One of the key lessons we have learned to date in pursuing this Initiative is that it is not enough to focus all our energies on post-conflict reconstruction. The demands of rebuilding war-torn societies, such as Bosnia or Cambodia, are enormous. Conflict prevention is far more cost-effective than putting societies back together again after they have been torn apart by war.

The Future of Peace Operations

Despite our best efforts, though, there will be times when conflict threatens or when it cannot be prevented; times that require rapid, decisive action to forestall conflict or to contain it when it does break out. At these times the international community must find faster, more effective ways to deploy traditional peacekeeping and military measures — and at the same time to develop and deploy effective civilian peacekeeping and peacebuilding measures, such as police monitors and trainers.

Canada has been active on both fronts. We have been at the forefront of efforts to develop UN rapid response and deployment capability, including a Rapidly Deployable Mission Headquarters. As the Carnegie Commission report notes, the international community has been reluctant to move ahead with rapid response initiatives. We continue to believe that they are essential. The UN must be able to provide a rapid, integrated response to armed conflict if it is to fulfil its mandate for peace in the new global dispensation.

Rapid reaction is important but it is not enough. Who we deploy counts for as much as how fast we deploy them. Increasingly, nations are called upon to supply civilian police and mediators, humanitarian aid workers and judges. There have been some innovative efforts to fill these needs, be it through the international police monitors and investigators in Bosnia, police trainers in Haiti, or the international criminal tribunals for Rwanda and the former Yugoslavia.

But we are still finding our feet. Most countries have limited experience and, above all, limited capacity to respond to requests for civilian deployment. At the international level, we must ensure that the reform of the UN humanitarian system recently implemented by the Secretary-General results in a victim-centred system based on a small, efficient Office for the Co-ordination of Humanitarian Assistance.

Conclusion

Developing UN good offices and rapid reaction capability are important. But the real key is the political will to act, and to act quickly. Lack of political will and of a sense of responsibility on the part of the international community is the greatest challenge we face.

Governments that are slow to act, however, will soon find themselves outstripped by public opinion. Broadcast technology has changed public perceptions of war, and the Internet provides a powerful tool to mobilize public opinion. The result is a

profound shift in values. War is less and less viewed as an acceptable "continuation of state policy by other means."

If governments are to remain effective actors in the new international landscape, they must accept this shift in values as real and permanent. And having done that, they must seek out new ways to prevent war and break cycles of violence. I can think of no better road map for governments, as they find their way in this unfamiliar landscape, than the Report of the Carnegie Commission on preventing deadly conflict.

Thank you.

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Statement

98/10

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE SECOND ANNUAL
NGO CONSULTATIONS ON PEACEBUILDING

OTTAWA, Ontario
February 18, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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I am delighted to have the opportunity to speak to you this morning at the beginning of the second annual Peacebuilding Consultations, convened by my department jointly with the Canadian Peacebuilding Co-ordinating Committee [CPCC].

Holding these consultations was one of the commitments that I made when I announced the Canadian Peacebuilding Initiative on October 30, 1996, at York University. It reflects this government's commitment to conduct an open foreign policy making process, informed by a regular exchange of ideas with Canadians. It also reflects our commitment to be accountable to Canadians -- to tell you what we have done, and what we have learned, in the process of implementing Canada's foreign policy.

In the same spirit of openness and consultation, we launched an intensive debate on peacebuilding at the meetings of the National Forum for Foreign Policy in 1996. The dialogue has been continued through a series of policy projects undertaken by the Canadian Centre for Foreign Policy Development, which have reported on everything from youth in South Africa to the effects of small arms, and of course through these annual consultations.

In the short time that has passed since the announcement of the Peacebuilding Initiative, this new forum has proved its value. The first Peacebuilding Consultation last year was attended by a broad cross-section of non-governmental organizations [NGOs] and institutions involved in international development, peace, disarmament and training in conflict resolution, both in Canada and abroad. To judge by the audience this morning, we have an even more impressive turnout for the second consultations. And since this is the Internet age, I look forward to "surfing" the CPCC Web page, and our own DFAIT [Department of Foreign Affairs and International Trade] home page, to read the results of your discussions in the next couple of weeks.

When I spoke in October 1996, there was a great international drama unfolding, which was on my mind and the minds of everyone in my audience: the refugee crisis in eastern Zaire. The very same day, the Government announced that we had offered the services of Ambassador Raymond Chrétien to the United Nations, as a special envoy of the Secretary-General to the Great Lakes region.

Today, there is another international drama unfolding, which commands the attention of Canadians and compels us to act in defence of our fundamental commitments to international peace and security. I am speaking of course of the situation in Iraq. We continue to hope for a diplomatic solution to this crisis, which was sparked by the continued intransigence of Saddam Hussein. Last week I met with the UN Secretary-General in New York to discuss the prospects for a diplomatic solution. The international community is faced with difficult choices. But we cannot allow Iraq's attempts to develop weapons of mass destruction to undermine regional stability and the authority of

the multilateral mechanisms we have established to preserve world peace.

An Evolving Vision of Peacebuilding

The situation in Iraq serves to underline the lesson we learned in Zaire: that we face new and complex threats to peace and security, and that the international community requires new approaches and concerted action to resolve them. If new approaches to building peace from within had been undertaken at an earlier stage in Iraq, perhaps we would not be facing the current crisis. More important, we have learned that sustainable peace can be built only through the active co-operation and the participation of governments, peoples and groups caught in the conflict itself. It was in this context that we first launched the Canadian Peacebuilding Initiative.

The Canadian Peacebuilding Initiative is a joint undertaking between myself and my colleague, the Minister for International Co-operation, Diane Marleau. The Initiative is a joint undertaking between our two departments for good reason. Peacebuilding lies at the intersection of international security and development. It poses a challenge for foreign policy and development assistance policy alike: how to address the development needs of societies at risk of violent conflict. Peacebuilding requires a different mindset, one that cuts across traditional divisions between development and international security, and focusses on promoting human security.

Peacebuilding raises difficult questions for the traditional conduct of foreign policy. For example, how do we empower multilateral institutions to prevent intrastate conflicts, while respecting the sovereignty of the member states of these institutions? The OSCE [Organization for Security and Co-operation in Europe] has developed new approaches to this problem, as has the OAU [Organization of African Unity], which could be adapted to other regions of the world.

Peacebuilding also raises difficult questions for the traditional conduct of development assistance. For example, how can we use development tools to build or rebuild the security structures of states torn by conflict? Canada has acquired some valuable experience in this regard in rebuilding a national police force in Haiti. The Development Assistance Committee of the OECD [Organization for Economic Co-operation and Development] will be leading a dialogue among donors over the coming year on the thorny questions of security sector reform in the development context.

Canada is not the only donor country that is grappling with these issues. But, as a result of the Peacebuilding Initiative, we are now recognized internationally as a leader in finding creative

approaches to the intersection of security and development. The OECD, in its recent Peer Review of Canada's aid program, commended "Canada's emphasis on formulating coherent responses to current and future global challenges, the high degree of inter-departmental co-ordination taking place in policy formulation... and the steps being made by CIDA [Canadian International Development Agency]...with DFAIT to create a new structure for rapid responses to conflict and emergency situations in developing countries, drawing on the expertise of NGOs."

To return the compliment, I would like to call your attention to a landmark accomplishment of the OECD in the field of peacebuilding, namely the publication of the *OECD Guidelines on Conflict, Peace and Development Co-operation*. These guidelines, published last May, constitute a bible for peacebuilding in situations before, during and after conflict. Canada, through CIDA, made a major contribution to their development. I encourage Canadian NGOs to read them, critique them, and use them in designing your own peacebuilding programs. You can find a link to the *Guidelines* by browsing the DFAIT peacebuilding Web site.

What Have We Done?

In developing the Peacebuilding Initiative, we have built upon Canada's extensive experience in areas such as democratic development, human rights and good governance. These consultations themselves are part of a larger consultative process, which includes CIDA's annual NGO consultations and roundtables organized by the Canadian Centre for Foreign Policy Development. Since the launch of the Initiative in October 1996, enormous additional effort has been dedicated by DFAIT, by CIDA and by Canadian civil society, to put the structures in place.

Some of the highlights include:

- defining a Strategic Framework for the Peacebuilding Initiative;
- establishing this consultative forum;
- supporting the Canadian Peacebuilding Co-ordinating Committee, which helped bring you together today;
- implementing CANADEM, the roster of Canadian experts on human rights and democracy; and
- creating two new funding mechanisms: the Peacebuilding Fund, managed by CIDA, for projects in developing countries; and the Peacebuilding Program, managed by DFAIT, for projects that fall outside CIDA's priorities.

Structures are fine, of course. But what have we actually done since October 1996 to respond to real-world challenges? Let me give you a very selective *tour d'horizon* of how we have used these new structures in the four geographic priorities identified this year for the Peacebuilding Fund.

In Guatemala, the peace accords were signed in December 1996. Our first project under the Peacebuilding Fund was to contribute to the Commission of Historical Clarification – Guatemala's "truth commission" – which will help establish a neutral, objective, historical record of the causes and human consequences of that country's 36-year civil war, particularly in terms of human rights violations. Canada was the first donor to contribute to the start-up costs of the Commission, thereby prompting a positive response from other donors. Since then, we have held a focussed consultation with Canadian NGOs that identified a short list of peacebuilding priorities for Guatemala. Based on this, we are examining ways of using the Peacebuilding Fund to strengthen the capacity of Guatemalan civil society to participate effectively in the various political forums created by the peace process.

In Cambodia, the process of democratization suffered a setback last July after the short but violent conflict between the forces loyal to the First and Second Prime Ministers. To assess the prospects for continued Canadian support for democratic development in Cambodia, we used the Peacebuilding Fund to send a mission there last August, co-ordinated by the Parliamentary Centre. It returned with a strong endorsement of the strategy of continued engagement in Cambodia; and since that time CIDA has provided additional financial support to the work of the Electoral Commission. We will be examining options as well for using the Peacebuilding Fund to reinforce the capacity of Cambodian NGOs to educate voters and observe their own electoral process.

In the Great Lakes of Africa, there have been cataclysmic changes, culminating in the fall of Mobutu and the installation of a new government in the newly named Democratic Republic of Congo. Through the Peacebuilding Fund, we supported the work of Mohammed Sahnoun, Ambassador Chrétien's successor as the Secretary-General's Special Representative for the Great Lakes, to broker a peaceful resolution of the multiple conflicts between the governments of this region. We have also used the Fund to support an innovative project, managed by the African NGO Synergies Africa, that is working to bring together civil society groups in eastern Congo and neighbouring Rwanda to find local solutions to these conflicts.

In Bosnia, the Dayton Accord has been held in place with enormous support from the international community, co-ordinated by the High Representative, Carl Westendorp, and the Peace Implementation Council. The most dramatic political changes in the past year have occurred within the Serb entity in Bosnia, the Republika Srpska, which has seen a power struggle between the hard-line faction based in Pale and the more moderate, pro-Dayton faction based in Banja Luka. Fortunately, the more moderate faction has recently gained the upper hand. We have used the

Peacebuilding Fund to respond to two special appeals of the High Representative to support the emergence of a more moderate voice in this region. First, we funded a public information campaign in the Serb entity to combat hate propaganda against the International Criminal Tribunal for former Yugoslavia; and more recently we provided immediate financial support for the new moderate government in Banja Luka.

We have also supported multilateral initiatives that will ultimately have an impact across a wide range of countries. For example, the Peacebuilding Fund supported the participation of delegates from least-developed countries in the preparatory meetings leading to the establishment in 1998 of the UN-sponsored International Criminal Court [ICC]. The ICC will have jurisdiction to deal with crimes against humanity and thereby to end impunity.

These are only a sample of the initiatives we have supported through the Peacebuilding Fund; and they represent a small fraction of the range of Canadian support for peacebuilding, through bilateral and multilateral channels, in each of these countries. They do, however, provide a demonstration of what can be accomplished with a rapid-response mechanism like the Fund, in reacting to fast-breaking demands and opportunities.

What Have We Learned?

I would identify four lessons in particular that we have learned in the first 16 months of the Peacebuilding Initiative.

First, that peacebuilding depends on the willingness and the capacity of local populations to become engaged in the process. We have to avoid the presumption that outside experts from developed countries have all the answers, or can simply export the infrastructure of peace to developing countries.

Second, we need to do more work on conflict prevention. It is not enough to focus all our energies on post-conflict reconstruction. The demands of rebuilding war-torn societies, such as Bosnia or Cambodia, are enormous. There has to be a more cost-effective way to build peace than to put societies back together again after they have been torn apart by war. That is the principal message of the Carnegie Commission on Preventing Deadly Conflict, which presented its final report in this auditorium yesterday. It is an issue I anticipate discussing further with the other Foreign Ministers of the P-8 prior to this year's Birmingham Summit.

African leaders, and their foreign partners, have drawn the same conclusion regarding conflict prevention from the series of conflicts across the continent over the past few years. Much work is already under way within Africa to build its own political institutions for conflict prevention. The OAU has its own unit,

as does IGAD [Inter-Governmental Authority on Development] in the Horn. ECOWAS [Economic Community of West African States] will be doing the same for West Africa. All of these institutions are new. All need more support. But all of them send encouraging signals from African countries about their desire to co-operate in building sustainable peace in their regions.

Third, we have to work through multilateral structures to co-ordinate peacebuilding. External actors, such as Canada, will have a very minimal impact on peace unless our efforts are co-ordinated with local actors, other donors, and the neighbouring states of countries in conflict. The United Nations is the linchpin of the global security system, as we all know, and its continuing financial crisis only undermines its ability to play this role. For this reason, we have supported flexible UN mechanisms such as the Trust Fund for Preventive Action from the Peacebuilding Fund.

UNDP [United Nations Development Program] Resident Representatives have an essential role to play in co-ordinating peacebuilding activities on the ground in developing countries. The United Nations is also the place where limited-mandate peacekeeping operations and longer-term peacebuilding activities have to be pulled together. Canada was pleased that the Secretary-General's reform package of last year has strengthened the capacity of the UN Secretariat to do this.

In a rapidly moving crisis, the fastest and most effective response is often made through existing multilateral structures. If the structures are already in place – such as the Office of the High Representative in Bosnia, or MINUGUA [Mission des Nations unies au Guatemala] in Guatemala – we can respond quickly to new opportunities. For this reason, many of our initial Peacebuilding Fund projects have been through trust funds of one kind or another. If multilateral structures are not in place, or cannot respond quickly enough, the burden of co-ordinating international peacebuilding efforts often falls upon individual states. Canada learned just how onerous that burden can be when we offered to lead the Multinational Force for eastern Zaire, in the absence of a standing capacity within the United Nations to respond to such a crisis.

Regional organizations are also increasingly carving out a role for themselves in conflict prevention – not only the African bodies I mentioned, but also the OSCE, the OAS [Organization of American States], the Commonwealth and la Francophonie. Another recent trend is the formation of informal "coalitions of the willing" to build peace, of the kind Canada used to push successfully for the landmines treaty. Canada has just joined a new organization based on this principle, International IDEA. International IDEA has an innovative mix of developed and

developing country members, all of whom are committed to supporting democratic transitions.

Finally, to mobilize and deploy Canadian skills for peacebuilding takes much longer. It requires an investment in building domestic capacity for peacebuilding. The Pearson Peacekeeping Centre – which trains civilians as well as military officers – has been one such investment. The roster of Canadian experts in human rights and democracy, CANADEM, is another. A third is the NGO-led peacebuilding capacity and training survey, whose results you will be discussing later this morning. Knowing what skills we have in Canada, and who has them, is a critical first step toward sharpening our ability to respond quickly and creatively to new opportunities.

What Are the New Issues?

Finally, what are the new, critical issues for peacebuilding? Well, I am expecting the participants in this consultation to tell me. But to judge by your agenda today, you will be working on at least four of them. My own quick take on each of them is as follows:

Gender and Peacebuilding: Canada has long been a leader in factoring the gender dimension into development assistance, and in pursuing women's equality as an international human rights issue. We need to examine the gender dimensions of peacebuilding: how conflict and conflict resolution engages and affects both men and women.

Governance: Governance is a critical concept, which even the IMF [International Monetary Fund] has now discovered. I am intrigued by the concept of the "ecology of governance", as developed by the Institute on Governance, which defines good governance as maintaining a balance between the institutions of state, civil society and the marketplace. Canadians, I think, instinctively understand this concept. It has informed our approach to funding peacebuilding projects in places such as Guatemala and Cambodia. I look forward to hearing how you will refine it in your consultations.

Community-Level Conflict Resolution: This is a critical dimension of peacebuilding. It is the level of action that most engages local people, and local capacities, in societies in conflict. It is the level of action where an awareness of the gender dimensions of peacebuilding is most likely to lead to creative solutions. The challenge is to find ways to translate the gains made from conflict resolution at the community level to the regional or national level for societies in conflict. The Peacebuilding Fund project in eastern Zaire is one attempt to do just this.

Small Arms Proliferation: Proliferation is a major threat to human security in many parts of the world. To counter it requires controlling illegal arms flows into societies in conflict. It also requires finding ways of rebuilding communities, restoring a sense of public security, and rebuilding the authority and legitimacy of the state, so that the public demand for weapons decreases. These factors tie directly into issues of governance and local-level conflict resolution.

There are also a number of specific areas of action that resonate across these four broad issues, such as developing free media and reducing the impact of conflict on children, particularly child soldiers. I will be interested to hear your views on how we tackle these issues where they converge on the ground, in countries in the shadow of deadly conflict.

Conclusion

Peacebuilding is a cross-cutting, ongoing process and a way of thinking, not simply a limited set of activities. The themes and priority countries that command our attention will evolve constantly. We will have to work both to respond to these new demands, and to integrate successful approaches into the mainstream of regular development assistance and diplomatic activities. Consultations with the Canadian NGO sector are critical to keeping our peacebuilding efforts sharp, in touch with the latest thinking outside government, and relevant to the needs of the people in societies in conflict whom we are trying to assist. I look forward to your contributions to a spirited and forward-looking debate.

Thank you.

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Statement

98/11

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NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
AT THE CONSULTATIONS WITH
NON-GOVERNMENTAL ORGANIZATIONS
IN PREPARATION FOR THE 54TH SESSION
OF THE UNITED NATIONS COMMISSION ON HUMAN RIGHTS

OTTAWA, Ontario
February 19, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



Thank you all for joining me at these consultations in preparation for the 54th session of the United Nations Commission on Human Rights [CHR]. I do not need to remind this audience that 1998 marks the 50th anniversary of the Universal Declaration of Human Rights. However, it may not be so well known that this is also an anniversary year for another event: CHR consultations in their current form first took place between human rights NGOs and the Department of External Affairs, as it was then, in 1988.

In many ways those consultations were before their time. The notion of this sort of intensive, wide-ranging exchange of views with non-governmental experts was considered quite radical back then – at least by government. Indeed, there are many other countries who still consider our annual meeting highly innovative. For us, we consider them invaluable. The consultations ensure that each year we are exposed to different perspectives on familiar events and trends, perspectives that challenge us either to prove the worth of our established policies, or to change them. In my view, they are a prime example of how diplomacy will be increasingly conducted in the years to come.

The face of diplomacy is changing as technology, globalization, and a dramatic recasting of the international political landscape conspire to dilute the power of the traditional nation state. As multinational corporations and international non-governmental organizations become increasingly important actors on the world stage, and as an ever stronger network of supra-national organizations is created, it is less and less possible for countries to act alone.

Increasingly, I believe, the paradigm for international relations will come to resemble these consultations: a dynamic partnership that builds consensus between states and civil society, that uses modern communications technology to share this consensus with a broader audience and maximize public support, and that produces concerted action to achieve shared goals. The states that remain influential will be those that excel at the "soft power" skills of building consensus and forging coalitions that cut across traditional boundaries.

Canada is well placed to thrive in the brave new world of "soft" diplomacy. We have a longstanding tradition of bridge building, we are widely trusted internationally, and our membership in global and regional multilateral forums is unrivalled. The campaign against landmines is an example of what can be achieved when we make full use of these natural advantages. It will not be possible always to muster the tremendous public support that was at the heart of that campaign, but, nevertheless, it represents a template for future action. It also demonstrates something of particular relevance for human rights issues – the impact of governments and NGOs is far greater when they work in concert. The whole is most definitely more than simply the sum of its parts.

There is certainly a longstanding tradition of co-operation between the Canadian government and NGOs at the Commission on Human Rights. CHR is also a forum where Canada maintains a very high profile. We are prominent in negotiations on almost every major text, and this year we expect to lead on more resolutions than any other single country. This is a measure both of Canada's commitment to promotion of human rights, and to the particular importance we attach to the Commission. As the world's premier human rights body, the Commission has both a truly global mandate and an unmatched moral authority. It has the capacity to develop standards that apply globally, and to monitor their implementation without the bias inherent in any purely national review.

At the CHR, Canada continues to focus on issues that reflect our national priorities. We will again be leading on two resolutions on women's rights, as well as a resolution on the Draft Declaration on the Rights of Indigenous Peoples. As I announced on January 9, 1998, Mr. Blaine Favel has been appointed Counsellor on International Indigenous Issues, and in this capacity he will be in Geneva to participate in the Commission's debate on indigenous issues.

We will be closely involved in the negotiation of an omnibus resolution on children. We have also been active throughout the year in the development of the two draft Optional Protocols on children. A new initiative this year will be the first-ever resolution addressing the issue of impunity, and the widespread failure to hold violators of human rights accountable. The NGO community has made it clear that increased international attention is required in this area, and we hope that this new resolution will help to create an effective vehicle for that attention.

Our basic policy focus will not change but, at CHR, as in our broader human rights policy, we need to be open to innovative ways of approaching problems. Established practices are often inadequate in addressing increasingly complex problems. In Colombia, for example, the government refused to countenance the creation of a special rapporteur. In response, the CHR has established a new type of mechanism – a field office of the High Commissioner for Human Rights. Over the last year, this office has been very active and has enjoyed good co-operation from the Colombian government. Its constant presence allows it to undertake tasks a special rapporteur could never have contemplated. This type of flexibility and innovation is central to the effectiveness of the CHR.

Flexibility and adaptability are equally essential elements in Canada's international human rights policy. We must always be open to creative solutions and aware of the need to develop an approach tailored to each particular situation.

Our support for innovative solutions at CHR is mirrored by our creative approach to bilateral human rights relationships. Over the last year, Canada has pursued a spectrum of individual country strategies, predicated, in large part, on the other country's willingness to engage us constructively. We have tried inventive ways to exert the greatest possible positive and effective influence. This can mean anything from encouraging co-operation between national human rights institutions to imposing selective economic measures.

One prominent example of innovation has been the pursuit of our bilateral human rights dialogues with China and Cuba, and the intense focus on human rights in our broader dialogue with Indonesia. In each of these dialogues there has been a measurable improvement in our ability to engage the other side on increasingly sensitive questions. This is not just talk for talk's sake. In-depth discussion of problem areas is, in my opinion, essential to lay the groundwork for co-operative action.

In this regard, I am pleased to announce today that on March 2 and 3, 1998, in British Columbia, we will be co-hosting, with the People's Republic of China, a meeting on human rights and legal issues to which a dozen other Asia-Pacific countries have been invited. China would never have joined Canada in hosting this sort of multilateral meeting, if we had not first established a privileged working relationship through our bilateral dialogue.

A human rights policy that tailors our actions to individual situations requires constant fine-tuning, both in matching strategies to national situations, and in developing new foreign policy options as needed. Over the coming year, we will be assessing our human rights policy to answer two fundamental questions:

- Do we have the foreign policy tools we need to promote and protect human rights internationally? and
- How can we make better use of the tools that we already possess?

Ongoing assessment of our performance is essential if Canada is to maximize its impact by focussing on areas where we have a comparative advantage.

The Canadian government will be co-operating closely with NGOs in the coming year, as we mark the 50th anniversary of the Universal Declaration of Human Rights [UDHR] and the fifth anniversary of the Vienna World Conference on Human Rights. We have many activities planned to mark these events, but I would like to flag one or two events of particular significance.

From June 22 to 24, 1998, the government will be sponsoring, in co-operation with an NGO consortium, a conference for NGOs from across the globe to review progress in implementing the Vienna Declaration and Program of Action [VDPA]. As sponsors, our aim is to ensure the strongest possible participation by civil society in the UN's five year review of the VDPA. This conference will also mark the official unveiling of a major Canadian initiative – a global human rights report based on UN sources. We are convinced this will be an invaluable tool for the human rights community.

I am also pleased to announce today that Mary Robinson, the UN High Commissioner for Human Rights, will make an official visit to Canada in the final week of November 1998. This visit will have a strong NGO focus and involvement.

The 50th anniversary of the UDHR is an important opportunity for reflection. It is a milestone, but it is also a crossroads. Over the last five decades, we have developed an impressive array of international human rights instruments. Yet, in our shrinking world, we are more aware than ever before of how frequently these rights are trampled underfoot. The 50th anniversary is a time to take stock of what we have accomplished – and the accomplishments are many – but it is also a time to dedicate ourselves to the next stage. Now that the standards have by and large been set, we must focus on the crucial task of implementing them.

The Commission on Human Rights has an essential role in the shift from standard setting to implementation. Its mandate to monitor human rights abuses worldwide is an essential component of international action to implement human rights commitments. The CHR's invention in recent years of field operations and country offices is an excellent example of what the transition to implementation means in practical terms. We recognize that NGOs have played a vital role in promoting this sort of innovation at CHR. A priority Canadian objective is to ensure maximum NGO participation and access, both at the Commission and throughout the UN system.

These are exciting times in international relations, not least for the promotion and protection of human rights internationally. If we are not just to participate, but to set the agenda in this era of change, it requires a close and effective partnership between us. I and my officials look forward to our exchanges with you over the next two days, as we prepare for Geneva and beyond. I hope that I will have a chance to talk with many of you personally during lunch today. I know that you have a heavy agenda, so I will end by wishing you a fruitful discussion. I look forward to hearing the results of your work.

Thank you.

Statement

98/12

CHECK AGAINST DELIVERY

**NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY,
MINISTER OF FOREIGN AFFAIRS,
TO THE CANADA CLUB, LONDON**

**CANADA AND BRITAIN
IN AN ERA OF NEW DIPLOMACY**

**LONDON, England
March 2, 1998**

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



Ten weeks from now, our Prime Minister, along with her Majesty Queen Elizabeth and many others, including many in this room, will gather in London for the reopening of Canada House – the venerable symbol of Canadian presence in Great Britain for the last 70 years.

The new Canada House will be a different kind of diplomatic post, open to the public, equipped with the latest multimedia outlets, a centre for culture and the arts.

I mention this not as a promotional advertisement, but because it symbolizes what I believe could be seen as a form of rebirth of relations between our two countries, based on new areas of co-operation and collaboration. To use the wording of the joint declaration signed by our two Prime Ministers last June, it will mark the modernizing of relations between our two countries.

Aside from the reopening of Canada House, further evidence for this modernization and revitalization abounds. In Ottawa last December, Britain and Canada, along with 120 other countries, put their signatures to an international treaty banning landmines. In January, Prime Minister Blair announced a tribunal of inquiry that includes a Canadian judge, Chief Justice William Hoyt, to review the events of "Bloody Sunday."

In recent weeks, Canada and Britain have taken a common stance in sending troops to the Persian Gulf in support of the United Nations. Today, I participated in ongoing discussions on co-operation within the Commonwealth on human rights in Nigeria and elsewhere, along with Tony Lloyd [British Minister of State for Foreign and Commonwealth Affairs] and other Commonwealth colleagues.

I should add that I am particularly impressed that the Minister of Foreign Trade and International Business and Deputy Prime Minister of Barbados, Billie Miller, despite having been in meetings with me all day, is still prepared to come and hear me speak tonight.

The New Challenges to Human Security

This new relationship between Canada and Britain is more than just a series of events: it is grounded in the seismic shifts that have shaken the tectonic plates of world affairs since the fall of the Berlin Wall.

The most significant of these, in my view, has been the increasing prominence of human security issues on the world agenda. These are the issues that strike home directly to the individual: the threats posed by illicit drugs, terrorism, environmental problems, human rights abuses and weapons of mass destruction. These have become the daily concerns of foreign ministers and governments.

It is from these developments that the notion of human security emerged: the premise that security goals should be primarily formulated, and achieved, in terms of human, rather than state, needs. The basic unit of analysis and concern has shrunk from the state to the community, and even to the individual. At the same time, to tackle problems that ignore state boundaries, the field of action has expanded from the state to the region, and even to the globe.

Complicating matters even further is the increasing diffusion of international power that has led to the advent of new players on the international scene: corporations, non-governmental institutions and organizations, and regional organizations such as the European Union.

These changes create an interesting test for governance, and perplexing questions for the conduct of nation states. We are all seized with the need to define and identify the role we intend to play in this new dispensation. This may be behind the proliferation of new national slogans, such as the "New Britain," or the United States characterizing itself as the "indispensable nation."

The Concept of Soft Power

Not to be left out, I have spoken of Canada as the "value-added nation." Canada adds value principally through the exercise of "soft power," a term coined by Joseph Nye at Harvard a few years ago.

By "soft power" he meant a non-coercive approach in international affairs, where power springs from attractive ideas, shared values and partnership, rather than from military and economic might.

It may seem ironic that I am speaking of "soft power" so soon after Canada and Britain expressed their willingness to use force, if necessary, to ensure that Iraq respects UN resolutions. But neither Joseph Nye, nor I, would argue that there is no longer a role for the exercise of military force — only that, in a complex, multipolar world, military might is no longer the pre-eminent measure of one's ability to influence world events.

In an era of increasingly diffuse power and of problems that ignore state boundaries, we must recognize that military and economic strength count for less than they once did. Conversely, the power to set the international agenda, and to have others follow that agenda through co-optation rather than coercion, counts for more and more.

Soft Power and the Landmines Campaign

The campaign that led to the signing in Ottawa last December of an international treaty banning anti-personnel landmines is, in my view, a clear example of "soft power" in action. An ad-hoc but effective coalition of states and non-governmental bodies brought governments and international public opinion onside with unprecedented speed, in the face of a deadlock within existing multilateral institutions and scepticism on the part of many of the major powers. It achieved this by working from a clear and widely attractive core principle: that landmines are the cause of a severe humanitarian crisis, and that they should therefore be banned.

Dialogue, lobbying and outreach between governments and civil society on international issues is, of course, nothing new. In what has become known as the "Ottawa Process," however, government and civil society worked directly together as members of a team. That in itself is rare, and the success of this approach is unprecedented.

Part of that success lay in galvanizing international public opinion. The late Princess Diana played an invaluable part in this. I am very glad to see that her role is being commemorated, and her work continued, in the memorial fund set up in her name.

The New Canadian Diplomacy

If I could sum up this approach to foreign policy, it would be as one that strives to add value internationally. Canada brings special qualities, and hence, special value, to the international scene. Those qualities that characterize Canada – a history of commitment to reconciliation and peace; respect for all cultures and ethnic groups; bilingualism; and flexible federalism – are reflected in our foreign policy. And, of course, now that Canada has achieved a balanced budget – the first G-7 country to do so – we have not just value, but also money, to add.

In the face of a changing international situation, we are broadening our horizons and developing new ways of doing business internationally through a range of approaches. These include:

- developing public diplomacy at home, through initiatives like our National Forum on Foreign Policy, and internationally;
- forming new alliances abroad, some with non-traditional partners, ranging from our bilateral dialogues on human rights with Cuba and China to Canadian membership in the Organization of American States (OAS);

- working to reform international institutions, not only through UN reform writ large, but also through the creation of new bodies such as UN war crimes tribunals;
- working to bring non-state actors into line with international norms, through such measures as codes of conduct for Canadian businesses abroad; and
- ensuring that marginalized sectors of society are on the international agenda, by focussing on issues like child labour and the gender aspects of efforts to build peace in societies riven by conflict.

There is, in my view, considerable commonality of approach between Canada's "value-added" foreign policy, and the foreign policy of the "New Britain." Robin Cook [British Secretary of State for Foreign and Commonwealth Affairs] and I discussed these commonalities when we met recently. We agreed that Canada and Britain are well-placed to work together to exercise "soft power" in addressing the priorities and demands of a new era.

Since then, our officials have pursued detailed discussions on our experiences and common interest in public participation in foreign policy, including NGO partnerships, public diplomacy and opening up foreign policy to democratic participation. I am pleased that these discussions are to continue in the coming months, and wish the British government well in its thinking and planning toward a National Forum of its own.

More broadly, we have also spoken with Britain in its role as EU President, about our shared trans-Atlantic values, and how these should be reflected in implementing the Canada-EU Action Plan. Through this new arrangement, there is scope for partnership not only on trade and economic issues, but also in many other areas: from promotion of free media in Bosnia, to tackling employment issues, to youth internships and cultural exchanges.

Working together toward common goals is, of course, nothing new for Britain and Canada; what are new are the tools we propose to use, and the problems we intend to tackle. Let me outline a few examples.

Landmines: the Ottawa Process Continued

I have already referred to the process leading to the signing of the treaty to ban landmines, a process in which Britain played an important role. But the treaty represents only the first stage on the road towards our ultimate goal: a world free of landmines. Over the coming months, it is imperative that we work toward:

- widespread ratification, so that the treaty enters into force at the earliest possible date;

- universalization of the treaty to draw in those states that have not signed; and
- destruction of stockpiles, demining and assistance to victims, particularly in severely mine-affected states such as Bosnia.

To achieve these ends, we must retain the flexibility, openness and innovation that made the treaty campaign so successful. On universalization, for example, Robin Cook and I agreed that an all-or-nothing, "sign it or leave it" approach to non-signatories will get us nowhere. Instead, we should tailor our approach, be it bilateral or through bodies such as the Commission on Disarmament, to the country in question. The principles of the Ottawa Treaty cannot be watered down, but the ways in which we get more countries to adhere to those principles may vary widely.

It is equally important that those who have already signed on to the treaty implement it, including provisions for demining and victim assistance. To do this, we must maintain and refocus the "coalition of the willing" that brought the treaty into being. As a step in that direction, Canada will host a workshop on international co-ordination on mine action later this month. This will be an opportunity for Britain, Canada and other members of the coalition to demonstrate that "soft power" has staying power.

The campaign against landmines is one of a range of issues particularly suited to the exercise of soft power. These are issues that cut across boundaries – both conceptual and national. They present problems that cannot be solved by gatherings of experts drawn from a single field, nor solely by the exercise of power by sovereign governments.

Such problems will only be solved by co-operative efforts within international and domestic coalitions – coalitions that are built around adherence to fundamental principles, rather than to procedures or structures. Among these issues, I would count the threats posed by small arms, the illicit drug trade, and human rights abuses – all issues of serious concern to both Canada and Britain.

Small Arms

Small arms, like landmines, present a problem that defies traditional categorization, and hence the efforts of many of our existing institutions and structures. Neither purely a humanitarian issue nor purely a disarmament issue, the proliferation of light, cheap weapons is nonetheless having a devastating impact in conflict-ridden societies around the world. The AK-47 presents a real and immediate threat to the lives of millions of civilians – many of them children – in the same way that anti-personnel mines do.

We are only in the early stages of addressing this problem. It is clear that we cannot simply replicate the process that led to the landmines treaty – although many of the lessons learned in that process provide an important starting point. As with landmines, it is clear that the best approach to small arms does not lie in creating cumbersome new institutions. Rather, it lies in galvanizing existing organizations, and, where necessary, going outside institutions altogether to work through ad-hoc coalitions. It is equally clear that initiatives on small arms will only succeed with the active involvement of civil society.

Britain, in its dual role as EU President and Chair of the P-8 Summit process, is well-placed to advance work on small arms. We welcome plans for an EU code of conduct on arms transfers, and hope to see this issue on the agenda of the Summit process. These efforts can complement other regional initiatives, notably the pioneering work of the OAS on illicit transfers of small arms.

The Drug Trade

Stemming the illicit drug trade continues to present a similarly severe challenge for existing national and international institutions. In an era of porous borders, global economic integration and instant communications, it is not only legitimate business that benefits. When combined with the weakness of state institutions, in some cases even state failure, a growing illegal trade in small arms, and the immense sums of money that it generates, produces an intractable and globalized problem.

We share Britain's concern about the threat posed by the illicit drug trade in the Caribbean, to cite one example, and stand ready to co-operate with Britain on measures to attack the problem.

There will be no quick or simple solutions. But we take a step in the right direction when we recognize the need for strengthening co-operative, multifaceted and open approaches that deal with both supply and demand. If we are to have any impact, we need:

- political will and direction;
- co-operation among all countries, including producer and consumer countries; and
- flexible approaches that unite law-enforcement, development and health concerns.

Human Rights

While small arms and drugs are relatively new areas for concerted international attention, the promotion of international human rights is well-established. In this, the 50th anniversary year of the Universal Declaration of Human Rights, we stand at a crossroads. Over the last five decades, the international community has developed an impressive array of human rights

instruments. Yet, in an increasingly integrated world, we are more than ever aware of how frequently these rights are denied. Now that the standards have by and large been set, it is time to move to the next stage: that of implementing them.

Implementation requires both a renewed commitment to existing institutions, and the development of effective new tools, or in some instances, whole new institutions. As I mentioned, I am in London for a meeting of the Commonwealth Ministerial Action Group [CMAG]. Since its establishment in 1995, the Action Group has acted as the crucible for Commonwealth responses to human rights violations in certain member states. It has provided a venue to assess Nigeria's progress toward the restoration of democracy and civilian government, an area of particular concern for Canada.

Canada also believes that there is an important role for the "unofficial Commonwealth" in feeding into the CMAG process, and more generally, in ensuring respect for human rights within the Commonwealth. We would like to see Commonwealth NGOs bring their skills and particular qualities to bear in addressing the situation in Nigeria.

Britain, like Canada, is an active member of the CMAG, and shares our concern at the lack of progress on human rights in Nigeria. Our co-operation in CMAG mirrors the excellent working relationship that we share on other human rights issues at the United Nations.

We also have similar views on the desirability of establishing an International Criminal Court. Such a body would give the international community a means to address the problem of impunity for human rights abusers, including war criminals. This is not just a matter of justice, but also one of peace and security. After genocidal conflicts such as those in Rwanda and the former Yugoslavia, the prospects for lasting peace and reconciliation are severely undermined when war criminals remain at large.

In addition to multilateral institutions, both Canada and Britain recognize the importance of domestic institutions in ensuring respect for human rights and democracy. We both focus on good governance — on building an efficient public service and an equitable legal system — as a priority in our international aid to developing countries.

At the same time, Canada is working to develop flexible and effective new human rights tools suited to specific countries or issues. As I speak, a plurilateral symposium on human rights, co-hosted by Canada and China with 10 other countries in attendance, is getting under way in British Columbia. The symposium, which takes place in the context of our broader human rights dialogue with China, is to my knowledge, unprecedented.

This is the first time that China is co-hosting a human rights event with a Western country, particularly one that includes other countries in the discussions.

In this context, I am delighted to hear that my colleague Robin Cook has recently announced an ethical foreign policy initiative, which will channel substantial new funds into human rights projects around the world. I salute this initiative, and look forward to learning more about it.

Conclusion

I do not need to remind members of the Canada Club of the strong historical ties between Canada and Britain. Periods of major change are always anxious times – and some may be concerned that the traditional strong relationship between our two countries will be lost in the reordering of the international landscape that I have described.

It is my view, however, that the relationship will emerge strengthened from this period of change. I am not talking here of simply weathering a storm. Rather, I believe that an era of soft power provides Canada and Britain with significant opportunities – opportunities to play even more effective roles on the world stage, and to act in concert to bring about a more stable, peaceful and prosperous world.

Canadians have a reputation for being modest and self-deprecating. Sir Wilfrid Laurier broke from that mould when he spoke early this century of Canada having become "a star to which is directed the gaze of the whole civilized world." I hope you will not think me too immodest if I repeat his words, for I do believe that, in an era of soft power, Canada's star is rising.

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Statement

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NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY,
MINISTER OF FOREIGN AFFAIRS,
TO THE ORGANIZATION OF AMERICAN STATES
CONFERENCE OF THE AMERICAS



WASHINGTON, D.C.
March 6, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



Government
of Canada

Gouvernement
du Canada

Canada

Ladies and Gentlemen:

I am honoured to have been called upon to make the closing address to this conference commemorating the 50th anniversary of the Organization of American States [OAS]. It is a particular pleasure to address such a varied and distinguished audience.

In a new and rapidly changing era, international institutions have to break away from conventional thinking. They have to rethink and reinvent themselves. This Hemisphere has long been at the cutting edge of multilateral activity. I am glad to see that the OAS is using the occasion of its 50th anniversary to once again put itself at the forefront of change. It has drawn together this forward-thinking group – representatives of government, commerce and civil society, along with a number of Nobel laureates from the Hemisphere – to help it consider its future.

Making the Hemisphere Our Home

In Canada, too, we have been looking ahead to our future in this region. In one of his first speeches as leader of the Liberal Party, Canada's Prime Minister Jean Chrétien spoke of wanting to make the Hemisphere our home. In the short time since Canada joined the OAS, we have worked hard to make those words a reality.

Canada is increasingly integrated into the Hemisphere economically through free trade agreements: the North American Free Trade Agreement [NAFTA], the Free Trade Agreement with Chile, and soon, we hope, a Free Trade Area of the Americas [FTAA]. We are already seeing the results. Canada's two-way trade with Latin America and the Caribbean is more than double what it was five years ago. The recent Team Canada trade mission to Latin America, led by the Prime Minister, will further unleash the potential for increased trade between our countries.

But Canada's growing engagement in the Hemisphere is not just about trade and investment. Canada is the second-largest financial contributor to both the OAS and the Pan-American Health Organization. Our Prime Minister participated in the first Summit of the Americas in Miami, and is looking forward to the second Summit in Santiago, including the launch of negotiations for the FTAA.

We have increasingly strong co-operative relations with many countries of the region, bilaterally, within regional political groupings such as the Rio Group, and in broader multilateral forums. In Haiti and Guatemala, Canada has been working with the United Nations, the OAS and others to build peace and enhance regional stability.

Perhaps most importantly, a growing number of Canadians are of Latin American and Caribbean origin, and opportunities for our

citizens to get to know one another better are increasing. Under Canada's international youth internship program, many young Canadian are now working in OAS member countries. I am pleased to tell you that my colleague Sergio Marchi, the Minister for International Trade, announced a new project today as part of that program. Through the Centre for Research on Latin America and the Caribbean at York University, Canada will place 15 young interns in the Secretariat of the OAS.

I think you will agree, then, that we have made good progress on making the Hemisphere Canada's home. And there is more to come. As a Winnipegger, I am particularly looking forward to the 1999 Pan-American Games, which will be held in my home city. I am also pleased that Canada will host the OAS General Assembly in the year 2000.

New Foreign Policy for New Times

These represent more than just a series of unconnected events. They are part of a broader redefinition of Canadian foreign policy. In the face of a changing international situation, we have recognized that it is essential that we develop new partnerships, both within Canada and around the world.

We decided to pursue this new diplomacy in the face of four factors:

- first, a seismic upheaval in the international landscape with the end of the Cold War, shifting international patterns of economic and political power and increased global integration;
- second, the increasing prominence of human security issues on the world agenda: issues that strike home directly to the individual, such as the illicit drug trade, environmental problems, and human rights abuses;
- third, the advent of powerful new players on the international scene, including corporations, non-governmental bodies, and regional organizations such as the Rio Group, the CARICOM and the Andean Community; and
- fourth, the growing importance of what scholar and diplomat Joseph Nye terms "soft power" – the power that springs from attractive ideas, shared values and partnership, rather than from military and economic might.

The campaign that led to the signing in Ottawa last December of an international treaty banning anti-personnel landmines is, in my view, a clear example of "soft power" in action. An ad-hoc but effective coalition of states and non-governmental bodies brought governments and international public opinion on side with

unprecedented speed. The coalition, in which OAS members played a critical role, overcame a deadlock within existing multilateral institutions, and scepticism on the part of many of the major powers.

Many nations have been seized with the need to define and identify the role they intend to play in this new dispensation. This may be behind the proliferation of new national slogans: the "New Britain" and the United States as the "indispensable nation," for example.

In this context, I have spoken of Canada as the "value-added nation." Canada's new approach to foreign policy is one that strives to add value internationally, principally through the exercise of "soft power." Those qualities that characterize Canada — a history of commitment to reconciliation and peace; respect for all cultures and ethnic groups; bilingualism and flexible federalism — allow us to add special value on the international scene.

They are reflected in a broadening of our horizons, and in new ways of doing business internationally, which include:

- promoting public diplomacy at home, through initiatives like our National Forum on Foreign Policy, and internationally;
- forming new alliances abroad, some with non-traditional partners. These range from bilateral dialogues on human rights with Cuba and China, to closer working relations with Japan, New Zealand, Australia, and Latin American and Caribbean countries at the UN;
- playing an active role in the reform and strengthening of international institutions, including the UN and the OAS itself;
- finding ways to bring non-state actors into line with international norms, for example by designing peacebuilding measures that engage non-state groups that are involved in internal conflicts; and, finally,
- ensuring that marginalized sectors of society are on the international agenda, by focussing on issues like child labour and the gender aspects of peacebuilding in societies riven by conflict.

Canada and the OAS in a New Era

Many of the values that underpin this foreign policy are ones we share with fellow OAS members: our belief in democracy, human rights, the rule of law, the prosperity of our peoples, and fundamental human dignity. At the same time, Canada has

experience in a range of areas where it can add value in the Americas, from social and urban governance, to peaceful conflict resolution, to the use of advanced information technology.

Canada and the OAS are well-placed to work together to exercise "soft power" in addressing the new priorities and demands of a new era. These priorities can, in my view, be grouped into three main areas: strengthening regional institutions; the "new" security and disarmament agenda; and the broader human security agenda.

In all three areas, we must ensure that we draw in civil society to work alongside governments in addressing new challenges. As the landmines campaign illustrated, this is a crucial element of the successful exercise of "soft power." We must build on the important steps taken by the OAS through its Inter-American Strategy for Public Participation on sustainable development issues, and by the Summit process through its inter-governmental partnership.

Institution Building and Change

As we look to the next 50 years of the OAS, it is time to take a fresh look at the institution. Do our regional institutions have the mandates, resources and architecture they need to be effective? The OAS can only succeed in this endeavour with the full support of its members. Members cannot afford to let the OAS slip down their list of priorities. Unless we work constructively and pay our quotas, we will be unable to look ahead, or plan ahead.

The OAS is changing. Under the leadership of Secretary-General César Gaviria, it is embracing new perspectives and ideas, and supporting new initiatives such as the FTAA discussions. We are already undertaking major reform and retooling in the United Nations and in the international financial institutions.

Fundamental change can be achieved in our own neighbourhood, too. Through restructuring and improved co-ordination, the OAS, the Inter-American Development Bank and the Pan American Health Organization can fulfil their shared mandate in such areas as sustainable and equitable development.

The Summit of the Americas process is a good example of a "soft-power" approach. It is based on partnership, where leaders undertake collectively agreed actions, domestically and multilaterally, to advance prosperity and democracy in the Hemisphere. As the political forum of the Hemisphere, the OAS has a central function in this new multilateral partnership. This 50th anniversary conference is an important first step in linking the activities of inter-American institutions like the OAS with the goals of the Summit of the Americas.

Cuba and the OAS

As we look ahead to the next 50 years, surely the time has come for all OAS members to consider when the suspended 35th member of the organization, Cuba, could once again be seated at the table.

The OAS, through determined and concerted efforts by all members, can play a vital role in broader engagement with Cuba. I am encouraged by Secretary-General Gaviria's recent comments in this regard. At the same time, the government of Cuba can help to make political reintegration possible, by showing its willingness to adopt the democratic values that prevail across the region.

It is time to start building bridges with Cuba and engaging it on issues of concern, in order to encourage positive change. Canada has established a bilateral dialogue with Cuba on human rights and a wide range of other issues. Most recently, during the visit of Cuban Vice-President Lage to Ottawa, we renewed an anti-hijacking agreement and discussed measures to enhance regional and global stability. Following the historic visit of the Pope to Cuba, Canada has agreed in principle to accept 19 Cuban prisoners of conscience who would not otherwise have been released. These are, we believe, the first steps toward the day when the OAS as an institution will bring together all states of the region.

New Security Issues

The second of the three priority areas I mentioned is the new challenges we face in security and disarmament. The principal challenge is to address threats to human security — that is, to the daily lives of millions of people — posed by weapons like anti-personnel mines.

OAS members were at the heart of the landmines initiative, with 33 out of 35 members signing the treaty banning these terrible weapons. I hope that this overwhelming regional solidarity will continue, and that member states will ratify the treaty as quickly as possible. Let us exercise international leadership once again, by being the first region in the world to have all its signatories ratify.

There is another area in which the OAS can exercise leadership: the development of an integrated and co-ordinated approach to the destruction of stockpiles, demining, and rehabilitation and reintegration of landmine survivors. Canada has promised \$100 million toward treaty implementation. We are working now on ways to use that money as effectively as possible, in partnership with other countries. During our Prime Minister's recent visit to Latin America, we signed agreements in Argentina, Brazil and Mexico that provide a framework for co-operation in demining in third countries.

In doing this, we can build on the pioneer role played by the OAS in demining in Central America, which will make it "mine-free" by the year 2000. This will be an achievement to be proud of, and a concrete example for other regions of the world to follow.

Small Arms

Small arms, like landmines, present a problem that defies traditional categorization, and hence the efforts of many of our existing institutions and structures. Neither purely a humanitarian issue nor purely a disarmament issue, the proliferation of light, cheap weapons is nonetheless having a devastating impact in conflict-ridden societies around the world. The AK-47 presents a real and immediate threat to the lives of millions of civilians — many of them children — in the same way that anti-personnel mines do.

The OAS has undertaken precedent-setting work that addresses one important dimension of the small arms issue: the illicit trafficking of firearms. With the signing of the Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Material, the first of its kind in the world, OAS members have targeted the illegal trade in firearms through more effective controls on the legal trade. This is proof positive of the willingness of member states to take collective action against crime and violence in the Americas.

Now it is time to go one step further and address other aspects of the small arms problem, through practical approaches tailored to real problems on the ground: disarming and reintegrating child soldiers; buying back weapons in societies that are saturated with them; and retraining and re-equipping people in these societies so that they can lead peaceful and productive lives.

The Drug Trade

Stemming the illicit drug trade is another priority for action in terms of the "new" security agenda. Porous borders, global economic integration, and instant communications have benefited illegitimate as well as legitimate businesses. Add to that weakness of state institutions, in some cases even state failure, illegal trade in small arms, and the immense sums of money generated by this trade, and you have an intractable and globalized problem.

This sort of problem clearly cannot be solved by using "hard" (that is, economic and military) power alone. It cuts across state boundaries, and has a broad and insidious impact — social, economic, developmental, on human rights and on good governance. Tackling the drug problem requires co-operative action among

governments, and the support and involvement of non-state actors.

The OAS has taken important steps to tackle the problem by establishing a multilaterally based, balanced approach through the Hemispheric Drug Strategy, through the work of the Inter-American Drug Control and Abuse Commission (CICAD), and through work to establish the Multilateral Evaluation and Monitoring Mechanism (MEMM).

Now we must build on our multilateral approach, recognizing that this is a shared problem of societies where the drugs originate, where they transit, and where they are consumed. We must snuff out both supply and demand. This requires a more comprehensive plan for co-operation that links domestic and multilateral strategies, and that has the benefit of high-level political impetus.

The Human Security Agenda

The third and final priority area for action by the OAS is, in my view, the broader human security agenda, including human rights, peacebuilding, and sustainable and equitable development. The importance of these issues is reflected in the prominent place that they have had on the agenda of our discussions over the last two days.

All of our citizens – including women, children, the disabled, and our indigenous people – must be able to live in societies that reflect their interests, satisfy their legitimate aspirations and guarantee real participation in the political, economic and social life of our countries. As our leaders said in Miami, "a democracy is judged by the rights enjoyed by its least influential members."

The OAS has a central role to play in promoting a rules-based system, one of the cornerstones of a "soft power" approach. It has already demonstrated that capacity through the Inter-American Human Rights system, Resolution 1080, the Washington/Managua protocols, and the Unit for the Promotion of Democracy. But there are major challenges still ahead for the OAS:

- how to strengthen the role of the Commission and preserve its independence;
- how to better link existing regional institutions with national human rights systems and human rights defenders; and
- how to complement more effectively the defence of democratic systems of government through the strengthening of democratic institutions and values.

Aboriginal Issues

One human rights issue of common concern to Canada and many other countries in the Hemisphere is that of indigenous rights. Here too, we have been working at different levels: multilateral, regional and bilateral.

At the United Nations, Canada has been very active in the development of a Declaration on the Rights of Indigenous Peoples. Within the OAS, we would like to see an Inter-American Declaration developed through the Human Rights Commission, consistent with and complementary to the UN instrument. The special mention of indigenous people in the agenda for the Santiago Summit, an issue that Canada is co-ordinating, is another encouraging sign of regional engagement on this issue.

Bilaterally, Canada hosted an aboriginal economic round table in Mexico in 1996, which brought together indigenous business and community leaders from both countries. This was the start of an ongoing process under which promising Canada-Mexico indigenous-to-indigenous joint ventures are being pursued. We are currently planning for a second round table.

Earlier this year, I announced the appointment of Mr. Blaine Favel as our Counsellor on International Indigenous Issues. He has just completed a successful bilateral visit to Guatemala, Nicaragua and Costa Rica, and will be working to increase Canada's activism on indigenous issues at all levels.

Another human rights issue of particular concern to Canada is that of the rights of the disabled. Canada strongly supports work within the OAS on a Convention to Eliminate All Forms of Discrimination Against Persons with Disabilities. We have also been active within the UN. In both bodies, our primary goal is to address this as a human rights issue integrated into the broader work of the organization, rather than simply as a social development issue. In this context, we are proud to have recently received the Franklin D. Roosevelt International Disability Award, recognizing our work to integrate persons with disabilities into Canadian society.

Peacebuilding

The promotion of human rights is closely linked with the prevention of conflict, and with reconciliation in regions emerging from conflict. Both the OAS and Canada have special value to add through approaches that build consensus and work with civil society, particularly at the local level. Somewhat over a year ago now, Canada established a Peacebuilding Initiative and Fund. Through these, we are pursuing projects abroad and building capacity at home to prevent conflict and to rebuild peace in its aftermath.

The experience of working in Haiti and in Guatemala has demonstrated to all of us the need for greater co-ordination of our efforts and for new tools and approaches. Traditional peacekeeping operations are important – but they cannot rebuild societies caught in long-term cycles of internal violence.

Through the OAS and other regional bodies, we must refocus our efforts in areas like demilitarization; disarming of combatants and buy-back of small arms; rebuilding capacity within government; and supporting a return to the rule of law under an effective justice system. It was in this context that our Prime Minister recently indicated Canada's interest in co-operating with Argentina in establishing "white helmet" missions to undertake peacebuilding efforts.

Conclusion

Today, as we celebrate the 50th anniversary of the OAS, we have reached a watershed for the organization, not only because of the distance that it has come in its first half-century, but also because of the profoundly changed world it faces as we look ahead.

Periods of fundamental change are always anxious times. Certainly, the challenges before us are great. But I believe that an era in which soft power is an increasingly significant force in international relations offers us significant opportunities, opportunities for which the OAS is well-suited.

Through co-operation, flexibility, commitment to a clear and attractive set of values, and a willingness to engage with civil society and other rising international players, we can make an impact. More than ever before, it is within our capacity to bring about a more stable, peaceful and prosperous Hemisphere. Let us take heart in our strengths, and show ourselves worthy of the challenge.

Canadians have a reputation for being modest and self-deprecating. Sir Wilfrid Laurier broke from that mould when he spoke early this century of Canada having become "a star to which is directed the gaze of the whole civilized world." I hope you will not think me too immodest if I repeat his words, for I do believe that, in an era of soft power, Canada can join with other stars to create a new galaxy in the Western Hemisphere. A galaxy that will, I hope, shed a new light on the world.

Thank you.

Statement

98/14

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS

BY THE HONOURABLE SERGIO MARCHI

MINISTER FOR INTERNATIONAL TRADE

AT THE INTERNATIONAL GRADUATE BUSINESS CONFERENCE

TORONTO, Ontario
MARCH 6, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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It's a real pleasure for me to be here today, to participate in this conference and to re-establish, albeit indirectly, my connections to York University, my alma mater. When I mentioned to Dean Horvath that I had graduated from York in 1979, he was kind enough to point out that that was the year many of today's undergraduates were born. The Dean has a way of making one feel very old, very quickly!

It is wonderful to be with you today and to have the opportunity to meet the business leaders of tomorrow.

I want to congratulate Scott D'Cunha and the others who have done such a great job of organizing this conference. You have lined up an impressive array of speakers and I am honoured to have been invited.

Let me just say a word about the Schulich School of Business. Under the dynamic leadership and vision of Dean Horvath, this institution has acquired a well-earned reputation for innovation, imagination and excellence.

Perhaps the Schulich School's most important thrust has been international. Its reach now extends to 45 countries, and its network of academic exchange partners reads like a who's who of the world's management schools.

It would be difficult to imagine a better approach to educating the business leaders of the future!

The Schulich School – and others around the country – recognize that the new realities of a global economy call for a new way of thinking about business.

In keeping with this approach, I would like to focus my remarks this afternoon on the internationalization of both education and business.

First of all, education.

In our recent budget – a breakthrough budget for education – our government demonstrated very clearly where we thought the first benefits of the fiscal dividend should go – namely, to students. Through the Canadian Opportunities Strategy, we committed \$2.5 billion to a Millennium Scholarship Fund, which will benefit 100 000 full- and part-time students every year for 10 years. And the Finance Minister has indicated that a portion of that fund will be used specifically for international education.

The budget also proposed significant measures to help students manage their debt burden and to make education more accessible.

These initiatives, as well as other elements of the Canadian Opportunities Strategy, represent an important investment in our young people – and in our future.

As you know, there are really two aspects to the internationalization of education: one is the need to prepare our

students to compete in the global marketplace, and the second is the opportunity for Canada to participate in providing education for an increasingly international body of students.

The first part — the need for a wider perspective on the part of our students — is one that many of you are already addressing.

You understand that today there is an international component to almost every business: that suppliers, opportunities and competition are as likely to come from across the globe as across the street.

Globalization and trade liberalization are sweeping away barriers that had once divided us and are creating common interests that are uniting us. Walls are falling down, markets are opening up and the possibilities for international business are truly astounding.

The global village envisioned by Marshall McLuhan is here. The Internet has become our town square, where information is exchanged and ideas debated. And our village now boasts a marketplace to which all of us can bring our wares and offer our services.

So we need graduates who see the global community as their marketplace and who have a truly international perspective.

To encourage just this sort of perspective, I will announce later this afternoon a \$225 000 contribution to establish a new youth international internship project for the York University Centre for Research on Latin America and the Caribbean. Under this program, 15 students from across Canada will be placed as interns in the Secretariat of the OAS [Organization of American States] in Washington.

You know, it is trite but true that this generation of graduates enjoys opportunities and possibilities undreamt of even by those of us from the class of '79.

As Trade Minister, I have the chance to see these opportunities unfolding every day. I see Canadian companies winning new markets, developing new customers, staking out new ground. I see our exports growing in leaps and bounds, setting new records year after year.

And I also see a new mindset developing among Canadians: a mindset built on the confidence of a country on the move and a conviction that our products are as good, and our services are as competitive, as those of any other nation.

Those of you in this room are part of that new mindset. Unintimidated by technology, confident and well trained, you stand ready to take on the new challenges of a new time.

So that is the first component of the internationalization of education – the importance of producing a new kind of graduate for a new kind of business environment.

The second is the need to see our education system as a valuable resource – not only for our own young people, but as something that is highly prized around the world. In part, I see education as an export commodity, and we've got to start thinking about it, and marketing it, in that way.

Helping to educate the world is good business – and it's big business. In 1994-95, international students contributed \$2.3 billion to our economy. That's the equivalent of 21 000 jobs!

That is why education has become such a big part of our Team Canada trade missions. In fact, on our latest mission, to Latin America, education was the third-largest sector represented, with 56 participants, including seven university presidents.

Last year, there were about 95 000 international students studying in Canada – a number we can and must increase in the years to come.

There are a variety of ways that my department is doing this, but let me just mention two.

The World Information Network for Exports (WIN Exports) is a huge database that matches Canadian companies with international opportunities. It is now being used to link our educational suppliers with potential markets around the globe.

We have also developed a number of Canadian Education Marketing Centres, or CECs, through our various missions around the world, aimed at getting students in those countries interested in studying in Canada.

As well as recruiting students from abroad, the CECs also help to broker government and corporate training contracts and to forge new links between Canadian educational institutions and their local counterparts.

There are currently 14 of these CECs, and we hope to increase that number to 25 by the year 2000. During our recent Team Canada trade mission to Latin America, four new CECs were opened.

In order to both demonstrate our commitment and better co-ordinate – and market – our efforts in the internationalization of education, I have organized a round table, to take place at York University on May 8, which will bring together interested parties from all aspects of the education community, including representatives of the provinces.

Let me turn now to the internationalization of business. Just as we need to produce more internationally oriented students, we

also need to encourage more Canadian companies, especially small and medium-sized companies, to raise their horizons beyond our own borders.

Because while Canada may be a trading nation, we are not a nation of traders. Relatively few companies are doing the lion's share of our exporting. In fact, about 50 large companies account for almost half of our total exports. And less than 10 percent of small and medium-sized businesses are taking advantage of the opportunities in international markets.

And yet we know that these smaller companies are powerful creators of jobs. Just imagine what they could do if they turned their dynamism loose on the world!

We also need to dispel the notion that you have to be big to succeed. What counts are quality, pricing, service and reputation: all areas where our smaller companies are competitive with anyone in the world.

In order to expand the exporting base, we have set ourselves the goal of doubling the number of companies exporting by the year 2000. And we are on course.

Accordingly, we have launched a number of initiatives designed to help small and medium-sized companies overcome the very practical problems they may encounter when preparing to export.

These include market intelligence, assistance in dealing with customs, securing market access and tearing down trade barriers, financing, and providing local contacts to open doors and prepare the way.

On our last Team Canada mission to Latin America, 75 percent of the 522 businesses were small or medium-sized enterprises.

The Export Development Corporation [EDC] is also doing some significant work with small businesses, providing a full range of trade finance services. In fact, over the past three years, the number of smaller exporters assisted by the EDC has increased by 80 percent. Last year alone, the value of their exports grew by 23 percent to nearly \$5 billion.

And in the Department of Foreign Affairs and International Trade, I have created a special unit dedicated exclusively to the special needs of small and medium-sized companies.

One of the areas of greatest potential is among women entrepreneurs. One-third of Canadian firms are now owned or operated by women. In partnership with the private sector, we are working to encourage more women to become involved in business. The Business Development Bank of Canada and the Royal Bank, for example, have launched an exciting series of seminars aimed at training female entrepreneurs across Canada.

And last November, I was privileged to lead the first Canadian Businesswomen's International Trade Mission, to Washington, D.C., where we explored the lucrative \$11 billion mid-Atlantic market.

We are also fortunate in Canada to have a dynamic network of multicultural trade associations and businesses, which provide vital links to key markets around the globe.

Both women entrepreneurs and our trade associations will be indispensable to doubling the number of exporters and ushering in the trade revolution among small and medium-sized companies.

I mentioned the pace of change a moment ago. In two years, half the world's population will be Asian, and one-eighth will be African. Of the world's 20 largest cities, none will be in Europe or the United States.

If we in Canada are to maintain our competitive edge, we simply have to internationalize our business links with the world. And we had better learn to operate in a business environment where your e-mail address will probably be more important than your passport.

This is an environment that is unencumbered by distance, unrestricted by technology and unmindful of country of origin. Those businesses – and those nations – that understand and embrace these new realities will reap tremendous benefits.

You know, it has been said that "the race belongs not merely to the swift, but to the far-seeing: to those who anticipate change and extend themselves to meet it."

This conference, and the schools and students it represents, is strong evidence that you are anticipating change and extending yourselves to meet it.

If we continue to internationalize education by producing more outward-looking students and attract more young people from abroad, as well as internationalize our businesses by promoting a dynamic export culture, I am confident that Canada will, indeed, win the race.

Thank you.

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Statement

*Under Embargo
until 8:30 p.m.*

98/15

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE ANNUAL AWARDS DINNER
OF THE ASSOCIATION OF
UNIVERSITIES AND COLLEGES OF CANADA

OTTAWA, Ontario
March 10, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



It is a real privilege to be with you this evening and to help celebrate the wonderful achievements of this year's AUCC award winners.

Let me add my personal congratulations to all of the universities we honour tonight. You'll forgive me if I make a special note of commendation to York University, my alma mater!

I would also like to thank Scotiabank – "the founder of the feast" – for their sponsorship of tonight's event. With all of the merger activity going on in the banking industry, I was afraid that Scotiabank was going to merge with McDonald's and we'd all be eating Big Macs tonight! Thankfully, that didn't happen and we've all enjoyed a fine meal!

As I thought about this evening, I was reminded of a story that is told of Ronald Reagan, when he was Governor of California. Protesting students had surrounded the Governor's limousine, and many were holding up placards that read, "We are the future."

Reagan scribbled down his reply and held it up to the car window. It read, "I'll sell my bonds."

Thankfully, the recipients of tonight's awards did not take a similar attitude with their students! They chose to invest, not in bonds, but in futures – their students' and their own.

Indeed, if there is a common thread linking all of the universities we honour tonight, it is a willingness to cast a clear eye to the future and anticipate the demands it will place on their students and on our economy.

Each of them has recognized that the new realities of a global economy call for a new way of thinking about education and about Canada's place in the world.

In our recent budget – a breakthrough budget for education – our government demonstrated very clearly where we thought the first benefits of the fiscal dividend should go: and that is to students.

Through the Canadian Opportunities Strategy, we committed \$2.5 billion to a Millennium Scholarship Fund that will benefit 100 000 full- and part-time students every year for 10 years. And the Finance Minister has indicated that a portion of that fund will be used specifically for international education.

The budget also proposed significant measures to help students manage their debt burden and to make education more accessible.

These initiatives, as well as other elements of the Canadian Opportunities Strategy, represent an important investment in our young people – and in our future.

As you know, there are really two aspects to the internationalization of education: one is the need for a global perspective on the part of the students we produce, and the second is the opportunity for Canada to participate in providing education for an increasingly international body of students.

Let me just touch briefly on both.

In today's economy, we need graduates who see the global community as their marketplace and who have the skills to participate in the opportunities it affords.

And we need to understand that the changes we have seen in recent years are just the beginning: that we stand today on the threshold of an exciting new age.

Globalization and trade liberalization are sweeping away barriers that once divided us and are creating common interests that are uniting us. Walls are falling down, markets are opening up and the possibilities for international business are truly astounding.

The global village envisioned by Marshall McLuhan is here. The Internet has become our town square, where information is exchanged and ideas debated. And our village now boasts a marketplace to which all of us can bring our wares and offer our services.

This is an environment that is unencumbered by distance, unrestricted by technology and unmindful of country of origin. Those businesses — and those nations — that understand and embrace these new realities will reap the benefits.

We also need to see our education system as a valuable resource — not only for our own young people, but as something that is highly prized around the world.

In today's world, education is an export commodity, and we've got to start thinking about it, and marketing it, in that way.

As I travel, I see how highly regarded Canadian graduates and Canadian schools are around the world. It's no accident that every year the Microsofts of this world come north to recruit from our universities: they know that our education system is among the best in the world.

And around the globe, we find an impressive array of public and private sector leaders who have been shaped by their educational experience here in Canada.

In an increasingly interconnected world, I don't need to tell you how valuable these kinds of networks are! Or of the opportunity

they afford us, as Canadians, to influence the next generation of international leaders in both politics and business.

There is also a very real economic element to all of this. Helping to educate the world is good business – and it's big business. In 1994-95, international students contributed \$2.3 billion to our economy. That's the equivalent of 21 000 jobs!

That's why education has become such a big part of our Team Canada trade missions. In fact, on our latest mission, to Latin America, education was the third-largest sector represented, with 56 participants including seven university presidents.

As more and more of the world becomes interested in education – and sees its indispensable value in a knowledge-based economy – Canada stands to benefit by meeting the need for high-skill training.

And I hardly need to remind this audience that at a time of declining domestic enrolment and shrinking university budgets, new sources of revenue must be found.

Last year, there were about 95 000 international students studying in Canada – a number we can and must increase in the years to come.

There are a variety of ways that our department is doing this, but let me just quickly mention two.

The World Information Network for Exports (WIN Exports) is a huge database that matches Canadian companies with international opportunities. It is now being used to link our educational suppliers with potential markets around the globe.

We have also developed Canadian Education Marketing Centres, or CECs, through our various missions around the world, aimed at getting students in those countries interested in studying in Canada.

As well as recruiting students from abroad, the CECs also help to broker government and corporate training contracts and to forge new links between Canadian educational institutions and their local counterparts.

There are currently 14 of these CECs, and we hope to increase that number to 25 by the year 2000. Four new CECs were opened in Latin America during our recent trade mission.

We are also working on speeding up the process for issuing student visas. We don't want to lose students whose first

educational choice is Canada to other countries that have provided them with a faster and more secure response.

In the new economy of today, we need more young people with a broad understanding of world culture and international business. We need them studying in Canada, working in Canada, and we need them working in countries with which we trade.

To pursue these objectives, my department wants to work in partnership with the education community, much as the AUCC, ACCC [Association of Canadian Community Colleges] and CBIE [Canadian Bureau for International Education] have worked in concert with individual institutions, provinces and school boards. We will never do our best, or be our best, by acting alone.

Indeed, in an attempt to better co-ordinate — and market — our efforts in the internationalization of education, I have organized a round table, to take place at York University on May 8, which will bring together interested parties from all aspects of the education community, including provincial authorities.

You know, it has been said that "the race belongs not merely to the swift, but to the far-seeing: to those who anticipate change and extend themselves to meet it." All of tonight's award winners are anticipating change and extending themselves to meet it.

With your efforts to reach out internationally, you have helped position your students — and Canada — to compete successfully in the new global economy, and ultimately win that race.

So congratulations — and thank you — to all of the award winners.

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Statement

*Under Embargo
until 7:30 p.m.*

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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
ON THE OCCASION OF A DINNER IN HONOUR OF CANADIAN
HEADS OF MISSION IN ASIA
AT THE CANADIAN CHAMBER OF COMMERCE

Ottawa, Ontario
March 12, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



I am pleased to join the Members of the Canadian Chamber of Commerce in paying tribute to the Canadian Heads of Mission in Asia.

This talented group of people deserve our thanks and our respect for the outstanding work they do in representing us to the economies of the Pacific region.

Since Confederation, we have kept our focus largely on Europe, and on our great neighbour to the south. Indeed, in the 1950s, about 80 percent of our immigrants were from across the Atlantic.

But today, more than 60% of our immigrants come from Asia. Chinese is now our third most prominent language after French and English.

Developments in those nations touch the lives of Canadians more and more everyday. And everyday, we discover more and more the Pacific side of our identity.

As you know, Prime Minister Chrétien designated last year, 1997, as Canada's Year of Asia Pacific to coincide with our chairing of the APEC [Asia-Pacific Economic Cooperation] forum.

Last year, more than 600 events were held across this country to celebrate our Asian heritage and stimulate even greater involvement in the region – particularly by small and medium-sized businesses and by young people.

It used to be that British Columbia was our window on Asia, but these activities have opened windows and doors to Asia in every part of Canada.

Over the years, our society has been enriched by Asian culture, and our economy has been transformed by Asian investment and trade.

Today, four of our top 10 trading partners are from Asia, and Asia is now our largest trading partner outside the United States.

As one of its founders, Canada has always been an active promoter and supporter of APEC as a vehicle for better relations and more liberalized trade among Pacific nations.

We are extremely pleased that 1997 was a year of dramatic progress for this relatively young organization.

We hosted many ministerial meetings that engaged Canadians across the country culminating in the APEC Heads of Government meeting in Vancouver last November.

One of our priorities was to advance APEC's trade and investment agenda. And it was very reassuring that the steps taken in

Vancouver went further and faster than any other previous APEC meeting.

Most particularly, we agreed to a balanced package on early voluntary trade liberalization in fifteen sectors – nine of which have been set on a fast track for action.

And, of those nine, the top three were Canadian issues: environmental goods and services, the energy sector, and fish and fish products.

These are all very important sectors to us. They are especially important to Canadian small and medium-sized businesses, which will benefit most from our efforts at trade liberalization and facilitation among APEC economies.

APEC nations have also made a commitment to share technical and economic expertise to eliminate both tariff and non-tariff barriers. This is consistent with the co-operative approach that has characterized APEC from its beginnings in 1989.

We also agreed to reduce costs to business and consumers with a blueprint for customs simplification by the year 2000.

We worked on the issue of more sustainable development, particularly on the need to create sustainable cities to provide a better quality of life for the hundreds of millions of people whose reality is largely lived in the urban world.

These important initiatives also demonstrate to the world that APEC intends to be a force for freer and more open trade around the globe.

APEC leaders also decided in Vancouver that we had to keep up the momentum on trade liberalization.

Given the current economic difficulties in the region, some argued that we should retreat, that it was time to start rebuilding the walls we had worked hard to tear down.

But we remain very confident that Canada has a future in the region – and we are determined to stay the course.

Indeed, I think that we should take some lessons from our own economic recovery. Remember that it was only a few short years ago that Canada was being called an "honorary member of the Third World" because of our deficit problem.

After a deliberate and steady climb out of some of our most serious economic difficulties, we are now called the "Canadian miracle" with a balanced budget for the first time in nearly thirty years !

Our APEC partners didn't give up on us. They could see the potential in our economy. We should not give up on Asia. We are not only "fairweather" friends. The potential for growth and expansion is still there.

In fact, the Prime Minister has led three major Team Canada efforts to Asia: in 1994, 1996 and 1997. These trips have helped over 1,000 Canadian companies build business in Asia. Over 400 business deals worth some \$19 billion were signed as a result of those visits.

There will continue to be significant opportunities for us in Asia. Of that there should be no doubt whatsoever!

Our business community continues to be very bullish on Asia despite the problems. The vast majority of them don't believe that this is the time for our companies to bail out – and I agree.

This is really a time for long-term thinking.

That certainly does not mean we are advocating a "wait and see" attitude. Not at all.

No company with interests in the region, and certainly no nation with interests in the region, can afford to sit on the sidelines and watch.

Particularly not a nation such as Canada that relies on international trade for 40% of its GDP [gross domestic product].

As one of the largest trading nations in the world, we are always engaged constructively in finding solutions to events that have the potential to disrupt international markets.

We were very involved, for example, in helping overcome the crisis in Mexico, a member of the APEC community. As you recall, after the international community intervened, the initial panic soon abated, and the Mexican economy is now back stronger than before.

We are equally committed to working with the international community in the response to the current challenges in Asia.

We believe that the current difficulties will eventually provoke the adjustments that will result in stronger and more robust Asian economies in the medium and longer term.

I don't think there can be any doubt that we will continue to expand our trade in Asia.

These are economies that make up over half the world's GDP and hold two-fifths of the world's population.

Their collective GNP [gross national product] in 1995 was over \$16 trillion.

In 1996, our two-way trade with APEC (excluding the United States) was \$58.6 billion – an increase of \$20 billion since APEC started in 1989.

There continue to be huge opportunities for us particularly in telecommunications, information technology, human resources development, energy, transportation and the growing environmental industries sector.

Many of these represent opportunities for SMEs [small and medium-sized enterprises], as well as larger concerns. And they are opportunities we must encourage all our businesses to take advantage of.

As Ministers and leaders now focus on Malaysia, as this year's APEC host, all of us must help to keep the momentum generated at the November APEC meeting in Vancouver alive. Canada will be at the forefront of this push.

We must continue to move forward in reducing trade barriers and opening up new markets.

We must continue to encourage Asian economies along the path of freer and more open trade because it is the right path to sustained, long-term, economic growth.

And, we must also continue on a bilateral basis to help our companies, big and small, search out opportunities.

In fact, I am leading a trade mission to China later this month. This "sleeping giant" of Asia is asleep no more!

Over the past decade, China has had growth rates in the range of 10 percent, and is expected to have in excess of 500 million middle-class consumers by 2010 – the largest potential consumer market in the world! It is a market we want to be a part of! Even more so now that they are involved in negotiations to enter the World Trade Organization.

Some 80 Canadian business people will join me in Beijing, Shanghai and Hong Kong to expand both business and political ties. We will be focussing on construction, financial services, power, oil and gas, agri-food, telecommunications and transportation.

I believe these visits are very important to help open doors and create order books for our companies, as well as to further our bilateral dialogues and relationships with China, and other nations of the global family.

Canada will continue to be a part of the Asia Pacific group of nations. We will continue to be a player in the region, and our businesses will continue to find opportunities for growth.

I know that the Heads of Mission we are honouring this evening are committed to helping all Canadian businesses do just that.

I commend our representatives here this evening on their efforts to engage Canadians in a dialogue about this dynamic region. It is important to build on the momentum of last year, Canada's Year of Asia Pacific, and to further cultivate this relationship which holds such immense potential for Canadians and prospective exporters alike.

Thank you.

Statement

98/17

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE MID-AMERICA COMMITTEE

CHICAGO, Illinois
March 17, 1998



This document is also available on the Department's
Internet site: <http://www.dfait-maeci.gc.ca>



I am delighted to be with you today and to address your Committee on this high holy day of Chicago – St. Patrick's Day!

This is truly an international event: The Canadian Minister for International Trade, of Italian descent, speaking to an American audience on the feast day of an Irish saint! What better proof could there be that we live in a truly global village?

When I asked Chairman Miner how long he thought I should speak today, he said that if I spoke for forty minutes you would be pleased; if I spoke for thirty minutes you would be delighted, and if I kept it under twenty minutes, you would be ecstatic.

So, in the interests of Canadian-American relations, I will try to be brief.

Today, I would like to focus on two issues: The trade relationship between our two countries, and the leadership role all of us should play in promoting trade liberalization around the globe.

This year marks the 10th anniversary of the Free Trade Agreement [FTA] between Canada and the United States. By any measure, it has been an unqualified success. Since it came into effect, trade between our two countries has more than doubled. One billion dollars in trade now crosses our border every single day, making it the largest bilateral trade relationship in the world.

In fact, Canada buys more from the United States than does the entire European Union. And just one province – Ontario – buys more from America than does all of Japan. On the other side of the ledger, 80 percent of everything we export, we export to the United States.

Our two-way trade with Illinois alone exceeds US\$18 billion. To put that into perspective, Canada imports more from Illinois than it does from Japan!

One of the benefits of our FTA relationship has been jobs – jobs for Americans and jobs for Canadians. Literally millions of jobs in each country now depend upon our bilateral trade. And since the NAFTA [North American Free Trade Agreement] was signed, unemployment has declined in all three countries.

Of course, we don't need to look to national numbers to see the benefits of freer trade. Right here in Chicago, major Canadian companies such as Trizec-Hahn and Hollinger are making a significant contribution to the Illinois economy.

And, in Canada, Chicago-based businesses like IMC Global, Amoco, Sara Lee, FMC, and Kraft Foods are finding new markets and generating significant revenues. And, we welcome more.

In fact, if you'd like to send along Chris Chelios to the Toronto Maple Leafs or Michael Jordan to the Raptors, we'd be more than happy to make room on our rosters!

I know the Strategic Alliance Center of our Consulate General here in Chicago, led by Consul General Poole, has made it a priority to double the number of alliances between American and Canadian firms by the new millennium.

Working with organizations such as your Chicagoland Chamber of Commerce and other partners in Bloomington, Rockford, and the suburbs around Chicago, I have every confidence that the Center will succeed.

So, liberalized trade has been good for Canada and good for the United States. But while the success of the FTA and the NAFTA should be a source of pride — it must not become a cause for complacency. I must pause here to express my appreciation to firms here in Chicago who have supported us in seeking a Canadian exemption from Section 110 of the Immigration Reform Act, which would create costly delays on both sides of the border. There is still tremendous potential for increased Canadian-U.S. trade, and I am here today as part of a delegation of sixty export-ready Canadian firms attending National Manufacturing Week.

Many of these are smaller companies, looking to establish new commercial links with American partners. Of course, this is a two-way street. When I first met Commerce Secretary Bill Daley, last summer in Ottawa, his first visit to Canada was with a delegation of small American businesses, hoping to forge new links with Canadian companies. Likewise, on my first trade visit to the United States, last November, I led a delegation of women entrepreneurs from the SME [small and medium-sized enterprises] community to Washington, D.C.

If we are to realize the full potential of our bilateral relationship, we must continue to support emerging companies, young entrepreneurs and women-led businesses. The world of trade is no longer dominated by the large multinational corporations. Small and medium-sized enterprises have proven, and will continue to prove, successful on the world stage. These are the source of most promise today, and will be the source of most jobs tomorrow.

There is also tremendous potential for American and Canadian companies to join together in strategic alliances and pursue opportunities in third country markets. Combining our efforts, experience and expertise will create possibilities in those markets we would never have on our own.

And, this naturally brings me to the second issue: The role Canada and the United States should play in promoting trade liberalization around the globe.

Our success in liberalizing trade on this continent means that we can show the way for freer trade elsewhere in the world.

As we continue to lead that effort, Canada does so from a position of renewed economic strength. Four years ago, our federal deficit stood at \$42 billion – the highest in our history, and growing. Interest rates were high, and inflation, that silent thief of our savings, was a persistent problem. Even *The Wall Street Journal* was writing ominous editorials about Canada being a candidate for membership in the Third World.

Well, as the saying goes, that was then and this is now.

Two weeks ago, we delivered a balanced budget – our first in 30 years, and the only balanced budget of any G-8 country. Interest rates are lower than those of the United States and inflation now stands at between one and two percent. Canada is expected to lead the G-8 nations in economic growth both this year and next. And, unemployment, while still too high, is declining steadily.

Our press has improved too. *Businessweek* refers to us as the "Maple Leaf Miracle," *Time* has dubbed us the "Export Superhero," and *The Economist* talks about Canada as a "fiscal virtuoso." We're still working on *The Wall Street Journal*.

Having got our own fiscal house in order, Canada stands ready to compete in a world that is changing profoundly. Walls are coming down, doors are opening up, and the opportunities for economic expansion are almost unlimited.

While Canada is very encouraged by this, let me just add two notes of caution.

First, the support for freer trade among our citizens is far from unconditional.

And, second, the move to freer trade requires an America that is outward looking.

Let me just touch on each of these concerns.

While over 70 percent of Canadians believe that free trade benefits our economy, this support is tempered by growing anxiety over job security and quality of life issues such as the environment and the pace of globalization. I know similar concerns exist here.

If we are to maintain the momentum toward freer trade around the globe, we must do a better job of explaining its benefits to those here at home. In that effort, the voices of business leaders such as yourselves, no less than the voices of governments, must be heard.

Second, the international community needs an unequivocal American commitment to liberalizing trade. Should that commitment falter, the prospect for freer trade will sustain a profound setback, from which it could take many years to recover.

The dangers of losing direction at this critical juncture can hardly be overstated. It could mean losing a historic opportunity to build bridges to newly emerging regions such as Latin America. Worse still, it could lead to the emergence of isolationist trading blocs.

The international trade agenda is both full and potentially divisive. Over the next few years, the World Trade Organization will address issues such as agriculture and trade in services -- issues that will task our ingenuity and test our commitment.

At such a moment, American leadership is vital. And, yet, I say quite frankly that certain events have given us cause for concern. Initiatives such as the Helms-Burton legislation that isolates and divides, instead of integrating and uniting our hemisphere, cannot be seen as a blow struck in the name of freer trade and investment.

And, after playing a central role in launching the Free Trade Area of the Americas [FTAA] in 1995, the United States seems to be in danger of losing leverage because of the failure to obtain fast-track authority.

For our part, Canada will not allow a delay in securing fast track to slow down our own trade agenda. We will move ahead with other key trading partners in South America, the Caribbean and Central America in order to create the framework for a more open and predictable trading system in the hemisphere.

We have, for example, proceeded to negotiate our own free trade agreement with Chile, and we are pursuing a trade and investment arrangement with the Mercosur countries.

But it remains our hope and our belief that the United States will recognize its own interests are best served by promoting freer trade around the globe and by providing solid leadership.

Nowhere do the United States and Canada have a greater role to play than in Latin America.

Let no one doubt that Canada fully supports the launch of the FTAA. We are determined to see it work.

I will carry this message when I travel later this evening to Costa Rica, where I will meet my counterparts from the hemisphere to review plans for the Leaders' Summit in Santiago, Chile, next month.

Of course, Latin America is not the only place where Canadian-American partnership is desirable. The increasing importance of the trans-Atlantic relationship with the European Union can also benefit from a trilateral approach.

Our two nations have always been most effective when we have worked together. We saw that at the APEC [Asia-Pacific Economic Cooperation forum] Summit in Vancouver, where significant progress was made on early voluntary sectoral liberalization, in large part, thanks to the leadership of your trade representative, Charlene Barshefsky. And, we will see it again by working hand in hand with the European Union to liberalize our trans-Atlantic trade.

As I close, let me invite you to remember why the United States and Canada have long been strong supporters of liberalized trade. For our nations, trade has always been about more than just numbers, it has been about people. It has been about expanding their opportunities, raising their living standards, creating jobs for them, and providing them and their families with a hopeful vision for the future.

In 1961, when President Kennedy addressed the Canadian Parliament, he spoke of the relationship between our two countries and asked us to "fix our attention, not on those matters that vex us as neighbours, but on the issues that face us as leaders."

President Kennedy's words are no less relevant today than they were thirty-seven years ago.

Let us then assume our responsibilities as leaders. Let us look outward and move beyond our own frontiers, thereby extending the benefits of the global marketplace to all of our citizens, and to the family of nations.

Thank you.

Statement

98/18

STATEMENT BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
AT THE
FOURTH WESTERN HEMISPHERE
TRADE MINISTERIAL

SAN JOSÉ, Costa Rica
March 19, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



We are gathered today at a historic juncture: We are asked to fulfil the vision of the Miami Summit – to build a true, varied and dynamic community of the Americas. An integral part of completing that vision – perhaps even its foundation – is an agreement that would extend the benefits of free trade to the entire hemisphere.

It's a broad, expansive vision. Turning it into reality will take courage, and will challenge us all to think in new ways, to divest ourselves of old preconceptions. To succeed, we have to act, if not as citizens of the world, as least as citizens of the hemisphere.

Canada is determined to succeed in this endeavour because we believe a Free Trade Area of the Americas [FTAA] is good for Canada, and good for the hemisphere. We believe it will be the foundation on which the region's nations will continue to build strong, vibrant economies, and to create jobs for all our citizens.

Canada has always been a nation of the Americas, but has only more recently made the region a priority for further trade and investment. In recent years, that trade and investment has increased dramatically. Canadian companies, flush with success in the NAFTA [North American Free Trade Agreement] markets, are now looking farther South. There is a dynamic new business relationship developing between Canada and the countries of Latin America and the Caribbean.

We have deepened our relationship with our NAFTA partners and implemented a free trade agreement with Chile. We have intensified our dialogue with Mercosur, and have continued work to reach a Trade and Investment Cooperation Agreement with them. We are also negotiating bilateral investment protection agreements with several Latin American and Caribbean countries. Just yesterday, Canada signed a Foreign Investment Promotion and Protection Agreement (FIPA) with Costa Rica, and a Memorandum of Understanding on Trade and Investment with the Central American Common Market.

On our most recent Team Canada trade mission (the largest to date) to Latin America in January, Canadian businesses and their partners signed 306 deals – more than any previous Team Canada mission. Many of these companies are relatively small, and relatively new to the region. Team Canada '98 proves that there is a new ethic in Canada of trading, of taking risks and seeking out exciting new markets.

Canada believes in itself, and in the region. That is why we are determined that the momentum created by this meeting and the upcoming Santiago Summit be maintained.

We have four immediate goals for the FTAA:

1. We should launch negotiations at Santiago next month.
2. Detailed and comprehensive negotiations should begin quickly – by June. We must put all our cards on the table and get off to a quick start.
3. The concerns of smaller economies should be addressed. Canada, which signed a free trade agreement with a partner ten times its size a decade ago, is sensitive to the concerns of these economies. A process of this magnitude will require special treatment in the implementing phase for smaller economies in certain sectors or disciplines.
4. Negotiations should aim for a transparent, rules-based regime with a dispute settlement process that will make all partners equal.

We also have four immediate challenges that face us in ensuring that work on the FTAA keeps progressing.

1. Lack of fast-track authority in the United States will obviously give some nations pause, but this is far from being the fatal factor that some suggest. Why, after all, would the entire region engage in progressively more complex and difficult work on the FTAA when the role of the United States is in doubt? But we must remember that the FTAA is a multilateral negotiation that will take up to seven years to conclude. We faced a similar situation in 1986 when we launched the Uruguay Round. There is also strong support for the FTAA in the U.S. business community. We cannot allow scepticism to become paralysis. We have to forge ahead, or we risk losing momentum. Just as we can't fear every blip and bump in world markets, we can't let fear of fast track become a phobia.
2. We also must realize that we are now moving into a much more open, public arena. This is important: If our populations are going to support the FTAA, they must be engaged. In Canada, many groups within our civil society have been consulted on what they want to see in the FTAA. But all of us now have to involve our citizens in an open, direct manner, and this should be an integral part of the FTAA process. We have to explain to them the benefits of liberalized trade and enlist their support in building a FTAA that reflects the full spirit of Miami – an agreement that will benefit all our citizens and speaks to the highest standards. I am confident that the region's citizens

will continue to accept this vision of freer trade much as they have embraced democracy and positive social change.

3. We must reach conclusions on the actual structure for negotiations, on structural questions such as the site of negotiations and the chair of the negotiations for the next 18 months. Canada believes that concluding negotiations by 2005 is an ambitious but achievable goal. Canada favours regular meetings of Ministers to oversee negotiations and to provide political impetus that will be required to complete this project. We should also agree today to hold another meeting in 2001.
4. The final challenge is to keep our leaders engaged after Santiago. The direction and momentum they can offer is critical to our success. It is therefore imperative that we commit ourselves to making concrete progress by the year 2000.

Canada is committed to the hemisphere, to its future. We are making a long-term investment in this region — our region. Without quick and decisive action, however, the community of the Americas we are all working so hard to build will remain more a pleasing concept — a dreamer's dream — than a real, dynamic and interdependent community of nations. Let us resolve today that this meeting, followed by next month's Summit, will give birth to something new and exciting — a new community for the New World.

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Statement

98/19

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY,
MINISTER OF FOREIGN AFFAIRS,
AT THE OPENING OF THE
WORKSHOP ON INTERNATIONAL MINE ACTION

OTTAWA, Ontario
March 23, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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It is a real pleasure to welcome you back to Ottawa.

Just three months ago, many of you were among the representatives from 122 countries who joined us here in this building to sign the new convention banning anti-personnel mines. On that same occasion, experts from around the world came together for two days of discussions on the challenges of implementing the convention, clearing mines and assisting survivors.

Since then, the 124th country has signed the convention. Five countries have already ratified it. We are working with our partners around the world – governments, NGOs [non-governmental organizations], the UN [United Nations], especially key agencies such as UNICEF [United Nations Children's Fund], and the ICRC [International Committee of the Red Cross] – to ensure that we get the 40 ratifications necessary to bring this treaty to life this year.

Our top political and diplomatic priority must be to reach that magic number of 40 ratifying countries – and to follow this closely with an intensive effort to bring on board those countries that have not yet signed. Until the treaty enters into force and is adhered to around the globe, we cannot rest on our laurels. When the treaty is translated into law it will set a new humanitarian standard internationally, one that produces concrete results for individuals. Removing mines from the ground and assisting landmine survivors will be a Sisyphean task as long as we have not cut off the supply of anti-personnel mines for good.

The continuing spirit of commitment around the world, from ordinary citizens and from governments, leads me to believe that we will meet these political goals. Universal adherence to the convention will ensure that we eliminate the threat posed by these weapons of mass destruction.

With the millennium almost upon us, now is a good time to set new goals, to begin working in new ways and to deal definitively with old problems that are the legacy of old thinking. I think that we can aspire to beginning a new century in which no new anti-personnel mines are used. I also think that we can commit ourselves to tackling the humanitarian crisis posed by landmines within the first decade of the new century. These are, I believe, realistic goals, not dreams.

Why do I believe this?

- because the international community has already shown its capacity to act in a concerted and determined way on the anti-personnel mine issue. The convention itself, and the dynamism of follow-up work by NGOs and governments are proof of this;
- because the UN is already moving forward, quickly, to provide a focal point for concerted global action. And it is

not alone. The Organization of American States, the Organization of African Unity, the World Bank and others are working in new ways to meet the anti-personnel mine challenge; and

- because people around the world, in donor countries and in the mine-affected states, expect and demand global action now that we have a treaty.

When we met in Ottawa in December, governments, NGOs and representatives of international and regional organizations made it clear that the crucial missing link in the global mine effort was co-ordination and integration. In discussion after discussion, with my colleagues, with representatives of NGOs and of the donor community, and with those delivering mine-action services in the field, the need for a co-ordinated international response was the constant theme. People were calling out for action on this fundamental, practical problem.

The need for co-ordination is all the more clear because the generosity of donors has already provided us with the means to take action. More than half a billion dollars was pledged in Ottawa to future and ongoing mine action. There is money in the system; the challenge is to make the best possible use of it.

It was in response to this widely acknowledged need that we decided to convene this mine-action meeting in Ottawa. These two days of discussions will allow us:

- first, to determine where greater international co-ordination is most needed to improve the effectiveness of our global mine-action efforts;
- second, to identify the gaps and areas of duplication in the expanding international response to the anti-personnel mine crisis; and
- third, to begin developing a global consensus within and among all the players involved on a coherent, consolidated international response.

In the course of the past months, as we have prepared for this meeting, we have begun to see a new optimism among those taking up the anti-personnel mine challenge. The scope of the problem remains enormous. But increasingly the experts in the field, particularly those who live and work in mine-affected countries, are telling us that we can beat the problem. We can do it if we have clear, common humanitarian objectives, if we focus our efforts, and, most importantly, if we set priorities and work together.

Those working in the field are now talking in terms of years, not decades, to break the back of the problem and make a definitive difference to the lives of victims. The key is to focus not so much on the number of mines as on the number of victims and the amount of arable land lost to development and productive use – in other words, on the real impact on daily life.

As a first step, this requires surveys and assessments to provide more accurate and consistent data. Once we know the scope of the problem in terms of human suffering and dislocation, not just numbers of mines, we can begin to prioritize our efforts. We can begin to focus our resources and forge co-operative relationships for effective and comprehensive mine action.

What does this mean in practical terms?

In the first place, we need to ensure that the global community is working to some commonly agreed standards for mine action, whether in the collection of data, the development of new technologies, or assistance to survivors.

In the second place, we need to know what works. If something works in one place – whether it is a de-mining technique, a mine-awareness program, a stockpile destruction effort or a survey method – we need to share the experience. This entails assessing its effectiveness and its applicability in other places, and communicating the results to all those working on mine action.

The recent first meeting of mine action centre co-ordinators hosted by the Swiss government and chaired by the UN is precisely the sort of effort that should be undertaken on a regular basis. It is, quite frankly, incredible that this was the first time that these centres got together to share experiences and learn from one another.

In the third place, we need to ensure what I would call coherence of effort among the many independent actors on the mine issue. Our purpose should not be to put in place bureaucratic structures or approaches that curtail or constrain the very dynamism and initiative that we need. Rather, we should work to channel that energy, to ensure synergies and, to the greatest extent possible, to ensure practical co-ordination. This is not rocket science. It is common sense.

The Ottawa Conference clearly demonstrated that it makes sense to tackle humanitarian issues in an integrated, holistic way. Horizontal issues like anti-personnel mines cannot be dealt with effectively through traditional, segmented approaches and single-dimensional modes of program delivery. They require a new paradigm.

Common standards, shared experience and coherence of action together are part of this new paradigm – an approach that establishes a common goal, identifies the problems and the solutions and draws them together.

The UN can play an invaluable role by providing a global focal point for mine action. But it can only do this at the behest of member states and with their support.

We must also ensure sustainability, over the long term, of our mine-action efforts. This means, above all, building indigenous capacity to carry on mine-action work. Our mine-action programs must respond to the real needs of mine-affected states, both in dealing with the most pressing problems and in developing local capacity for the longer term. If we know where people go to get water, we can clear useful safe lanes. If we know that survivors become outcasts in their own society, we can design programs that focus, beyond prosthetics, on long-term care and reintegration into the community.

Sustainability also means engaging the private sector. The Canadian Auto Workers union gave \$1 million for mine action during the Ottawa conference. This sort of philanthropy is to be applauded and encouraged. Businesses, particularly those that invest in mine-affected countries, can play an important part in helping eliminate the mine threat.

Longer-term sustainability – keeping the landmines agenda moving – is about mobilizing resources, political will and public consciousness in a coherent way and in a common direction: toward effective mine action.

This is a huge agenda to cover in just two days. I don't pretend that this meeting will provide the definitive answer to mine-action co-ordination. But I think we will consider it a success if we can re-energize and reposition the global community to work on a number of fronts.

These include, as a key priority, ensuring the speedy entry into force of the convention. Another key priority is identifying the range of problems faced and developing a framework for matching them with solutions. This means placing the UN at the front and centre of a global co-ordination effort. It also means committing ourselves to working together in an open and transparent partnership that includes governments and NGOs.

This meeting is also an opportunity to explore how technology – appropriate technology that responds to the practical, real-life conditions in mine-affected states – might enhance and accelerate our efforts. And it is an opportunity to put in place mechanisms to ensure the longer-term sustainability – financial and political – of global mine-action efforts.

This meeting is also, I believe, a chance to shift our outlook. The anti-personnel mine crisis is not insurmountable – not if we let the new millennium infuse our thinking with energy and imagination. Is it really too much to hope, just two years away from the new century, that anti-personnel mines will soon become an archaic piece of 20th century history? Is it really too much to hope that children born now, on the cusp of the new century, grow up never knowing what anti-personnel mines are?

Let us commit ourselves to cleaning up the last century's problems in the very first decade of the new century. Let us infuse the mine-action process with hope, determination and a new quality of commitment and co-operation. Let us work together for universal adherence to a total and effective international ban on anti-personnel mines. If we do this, we can transform the killing fields of the 20th century into the fields of hope of the 21st.

Statement

98/20

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE CLOSING SESSION OF THE
INTERNATIONAL WORKSHOP ON
MINE ACTION CO-ORDINATION



OTTAWA, Ontario
March 24, 1998

This document is also available on the Department's Internet site:
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I would like to thank you all for your active, engaged participation over the past two days. In the true spirit of the Ottawa Process, you – as representatives of governments, UN agencies and international organizations – have set clear objectives and demonstrated strong commitment for future co-operative action.

At the start of this workshop, we set out to identify areas requiring greater international co-ordination, as well as gaps and areas of duplication in the expanding international response to the mines crisis. We also aimed to develop a broad framework to help us set priorities and co-ordinate global mine action. Underpinning these objectives, we recognized the fundamental importance of early and effective entry-into-force and universalization of the landmines convention.

I am pleased to be able to present to you today the Chair's report of this workshop, which shows, I believe, that we have made some impressive progress.

Reflecting your hard work in preparing for the workshop and over the past two days, the report provides a clear picture of where we are now, of the challenges before us, and of what our next steps must be.

The Chair's report also reminds us that co-ordination and co-operation are not an objective, but rather an ongoing process. They demand good will, skilful management of diverse interests and priorities, and plain old hard work if the process is not to be derailed. We did it for the landmines convention – now let's show we can do it for mine action and implementation.

Over the past few days you have begun to turn this convention into a real instrument of collective action, one which will have a real effect on the lives of people who must live with landmines every day. You have clearly identified the priorities for such collective efforts:

- The necessary 40 ratifications of the convention this year, and work towards its universalization;
- Greater UN capacity to co-ordinate global mine action by helping to match resources with needs in the field;
- Better global co-ordination of donor activities, working in partnership with NGOs [non-governmental organizations] and the mine-affected states themselves;
- Clear benchmarks for progress such as a global anti-personnel mine incident registry;

- Greater transparency and standardization of landmines data;
- Clear mine action standards, codes of conduct and best practices; and, finally,
- Affordable, accessible, and cost-effective technologies to enhance mine action.

Last December, in Ottawa, we signed a ban convention – a statement of our commitment. Now, four months later, we have developed in Ottawa a vision and a framework by which the convention, and our global mine action efforts, will make a difference on the ground. We have begun to put in place a framework for common action.

Canada stands ready to make its contribution to this historic humanitarian initiative. As you know, our Prime Minister announced last December that Canada would commit \$100 million over five years to treaty implementation and global mine action.

Today, I am pleased to announce that my Cabinet colleagues and I have approved a framework for our efforts in global mine action. We have established a partnership between the Department of Foreign Affairs and International Trade, the Canadian International Development Agency, the Department of National Defence, and Industry Canada to manage the \$100 million fund. We will rely heavily on the input of Canadian and international NGOs and agencies in developing mine action policy and in delivering programs. We owe it to the victims to get down to action without delay.

Later this week, I will be travelling to Hungary for a regional mine action conference. There, I will have the pleasure of working once again with our close friends and allies on this issue – Hungary, and the International Committee of the Red Cross, and the International Campaign to Ban Landmines – as we renew our efforts to ratify and universalize the ban convention.

From Hungary, I will be travelling to Bosnia, where Canada will launch a \$10 million Mine Action Program with an initial focus in northwest Bosnia. Canadian peacekeepers have responsibility for this sector. They know the problem firsthand, and will be part of the solution. Our objective is to work with Bosnian authorities and the international community, including NGOs and donor countries, to substantially reduce the risk posed by landmines to the people of Bosnia within five years. This is not simply a demining project – it is an integrated program encompassing reconstruction and local capacity building.

I believe that we can, through concerted action with our partners, reduce by 50 percent the number of landmines in Bosnia

in five years, including clearance of 50 square kilometres identified as the highest priority for demining.

This program has been designed with co-operation in mind. Under its "adopt a team" concept, we will be looking for other donors to join Canada in supporting 30-person demining teams. For \$500 000 per year, these humanitarian demining teams will be able to operate continuously in Bosnia. This will boost the effectiveness of the on-the-ground demining effort, under a nationally co-ordinated program. I invite our international partners, large and small, to consider joining us in "adopting a team". Our hope is that this program will become a model of the co-ordination needed if we are to meet our ambitious mine action goals.

As a further sign of Canada's commitment to collective efforts on mine action, Canada will contribute \$2 million this fiscal year to the United Nations Voluntary Fund for Mine Clearance. This fund will help the new Mine Action Service of the UN Department of Peacekeeping Operations develop its capacity for global co-ordination, assessment missions and level one surveys.

The title of the report of this conference – *Years not Decades* – reflects the new sense of optimism we have sensed within the global mine action community. This optimism is firmly grounded in the good work we have done together to chart a course for effective global mine action into the next century. But only, I should add, into the early part of that century. With our course charted for us, and with a clear commitment to action, I believe that we can indeed bring an end to anti-personnel mines in years, not decades.

Partnership, co-operation, and co-ordination are the key. Let's work together to strengthen the Treaty, clear the mines, and help the survivors. That is what mine action is about.

Thank you.

Statement

98/21

"MINISTERIAL DECLARATION OF SAN JOSÉ"
FOURTH WESTERN HEMISPHERE
TRADE MINISTERIAL MEETING
OF THE
FREE TRADE AREA OF THE AMERICAS



SAN JOSÉ, Costa Rica
March 19, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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I. INTRODUCTION

1. We, the Ministers Responsible for Trade, representing the 34 countries that participated in the Summit of the Americas, in Miami, in December 1994, met at the Fourth Ministerial Meeting on Trade in San José, Costa Rica, to review the results of the preparatory work for the negotiations of the Free Trade Area of the Americas (FTAA) with the intent to recommend to our Heads of State and Government the initiation of the negotiations.
2. We note the progress achieved in trade liberalization in this Hemisphere, since the Miami Summit of the Americas, as a result of the implementation of the obligations assumed by our Governments in the context of the Uruguay Round of Multilateral Trade Negotiations and of the World Trade Organization (WTO); the widening and deepening of existing subregional and bilateral integration and free trade agreements; the signing of new agreements; and the unilateral trade liberalization measures adopted by some countries. Even as countries in our region have been tested by financial and other economic pressures, the overall course in the Americas has been one of faster economic growth, lower inflation, expanded opportunities, and confidence in participating in the global marketplace. A major reason for this positive record has been our countries' steadfast and co-operative efforts to promote prosperity through increased economic integration and more open economies. We are confident, therefore, that the FTAA will improve the well-being of all our people.
3. With the intent of contributing to the expansion of world trade, we reaffirm our commitment that the FTAA shall not raise additional barriers to other countries, and we will continue to avoid to the greatest extent possible the adoption of policies that adversely affect trade in the hemisphere.
4. Furthermore, we reiterate that the negotiation of the FTAA shall take into account the broad social and economic agenda contained in the Miami Declaration of Principles and Plan of Action with a view to contributing to raising living standards, to improving the working conditions of all people in the Americas and to better protecting the environment.
5. In designing the FTAA we shall take into account differences in the levels of development and size of the economies in our Hemisphere, to create opportunities for the full participation of the smaller economies and to increase their level of development.
6. We recognize the wide differences in the level of development and size of economies existing in our Hemisphere and we will remain cognizant of these differences as we work

to ensure their full participation in the construction of the FTAA.

7. We reviewed and approved the work submitted to us by the Preparatory Committee of Vice-Ministers on how to proceed with the negotiations of the FTAA.

II. INITIATION OF THE NEGOTIATIONS

8. We recommend to our Heads of State and Government that they initiate negotiation of the FTAA during the Second Summit of the Americas, which will be held in Santiago, Chile, on April 18 and 19, 1998, in accordance with the objectives, principles, structure, venue and other decisions set forth in this Declaration.
9. We reaffirm the principles and objectives that have guided our work since Miami, as set out in Annex I, including *inter alia* that the agreement will be balanced, comprehensive, WTO-consistent, and will constitute a single undertaking. It will take into account the needs, economic conditions and opportunities of the smaller economies. The negotiations will be transparent and built on consensus decision making. The FTAA can co-exist with bilateral and subregional agreements, to the extent that the rights and obligations under these agreements are not covered by or go beyond the rights and obligations of the FTAA. We remain committed to concluding the negotiations no later than 2005 and to achieving concrete progress toward the attainment of this objective by the end of the century.

III. STRUCTURE AND ORGANIZATION OF THE NEGOTIATIONS

10. We have agreed to an initial structure for the negotiations. This structure is flexible and we expect to modify it over time as required to assist the negotiations. We will exercise the ultimate oversight and management of the negotiations and therefore we will meet as required and no less than every 18 months. We establish the Trade Negotiations Committee (TNC) at the vice-ministerial level. The TNC will have a Chair and a Vice-Chair. The TNC will select the Chair and Vice-Chair of each negotiating group. The TNC will have the responsibility of guiding the work of the negotiating groups and of deciding on the overall architecture of the agreement and institutional issues. The TNC is to take overall responsibility for ensuring the full participation of all the countries in the FTAA process. It will also ensure that this issue, in particular the concerns of the smaller economies and concerns related to countries with different levels of development, will be dealt with within each negotiating group. The TNC should meet as

required and no less than twice a year. It should hold its first meeting no later than June 30, 1998.

11. We establish nine negotiating groups on: market access; investment; services; government procurement; dispute settlement; agriculture; intellectual property rights; subsidies, antidumping and countervailing duties; and competition policy. The Chair and Vice-Chair of each group will be selected taking into account the need to maintain geographic balance among countries. They will serve for a period of 18 months or until the subsequent ministerial meeting. As a general principle, there should not be immediate re-election of the Chair and Vice-Chair. This principle establishes a presumption against immediate re-election, but should not be inflexibly applied. The negotiating groups will be guided in their work by the general principles and objectives in Annex I as well as specific objectives in Annex II. We mandate the TNC in its first meeting to develop a work program for the negotiating groups in order to ensure that they begin their work no later than September 30, 1998. We have agreed that the meetings of the negotiating groups will be held in a single venue, which will rotate among the following three countries:

Miami, United States: from May 1, 1998 to February 28, 2001
 Panama City, Panama: from March 1, 2001 to February 28, 2003
 Mexico D.F., Mexico: from March 1, 2003 to December 31, 2004

The period for which Mexico hosts the venue of the negotiations will be up to the conclusion of the negotiations.

The following countries will assume the Chair and Vice-Chair of the negotiating groups for the first 18-month period:

Negotiating Group	Chair	Vice-Chair
Market Access	Colombia	Bolivia
Investment	Costa Rica	Dominican Republic
Services	Nicaragua	Barbados
Government Procurement	United States	Honduras
Dispute Settlement	Chile	Uruguay-Paraguay
Agriculture	Argentina	El Salvador
Intellectual Property Rights	Venezuela	Ecuador
Subsidies, Antidumping and Countervailing Duties	Brazil	Chile
Competition Policy	Peru	Trinidad and Tobago

Work in different groups may be interrelated, such as agriculture and market access; services and investment; competition policy; and subsidies, antidumping and countervailing duties; among others. The TNC shall identify linkages and outline appropriate procedures to ensure timely and effective co-ordination. We agree to give the mandate to the relevant negotiating groups to study issues relating to: the interaction between trade and competition policy, including antidumping measures, and market access and agriculture, in order to identify any areas that may merit further consideration by us. The groups involved will report their results to the TNC no later than December 2000. This is without prejudice to decisions made by the TNC to dissolve, establish or merge groups. Likewise, the negotiating groups may establish ad hoc working groups.

Chairmanship of the FTAA

12. The Chairmanship of the FTAA process will rotate among different countries at the end of each Ministerial Meeting. The country that chairs the FTAA process will host the Ministerial Meetings and will also chair the TNC.

The countries holding the positions of Chair and Vice-Chair of the FTAA process will be:

May 1, 1998-Oct. 31, 1999:	Chair, Canada; Vice-Chair, Argentina
Nov. 1, 1999-Apr. 30, 2001:	Chair, Argentina; Vice-Chair, Ecuador
May 1, 2001-Oct. 31, 2002:	Chair, Ecuador; Vice-Chair, Chile
Nov. 1, 2002-Dec. 31, 2004:	Co-Chairs, Brazil and the United States of America

The period in which the United States of America and Brazil exercise the co-chairmanship will be until the conclusion of the negotiations.

In the last period, from November 1, 2002, to December 31, 2004, there will be at least two Meetings of Ministers Responsible for Trade, one in each co-chair country.

In the first 18-month period, three meetings of the TNC will be held, one in each of the following countries: Argentina, Suriname and Bolivia. In the second 18-month period, from November 1, 1999 to April 30, 2001, Guatemala will hold the first meeting of the TNC.

Consultative Group on Smaller Economies

13. We have agreed to establish a Consultative Group on Smaller Economies, open to the participation of all the FTAA countries and reporting to the TNC. For the first period, the Chair will be Jamaica, with Guatemala serving as Vice-Chair. Succession criteria will be the same as those applying to the negotiating groups. The Consultative Group will have the following functions:
- a) follow the FTAA process, keeping under review the concerns and interests of the smaller economies; and
 - b) bring to the attention of the TNC the issues of concern to the smaller economies and make recommendations to address these issues.

Administrative Secretariat for the Negotiations

14. We have agreed to create an Administrative Secretariat for the negotiations, which will conclude no later than the year 2005. It will report to the TNC and will:
- a) provide logistical and administrative support to the negotiations;
 - b) provide translation services for documents and interpretation during the deliberations;
 - c) keep the official documents of the negotiation; and
 - d) publish and distribute documents.

This Administrative Secretariat will be located at the same venue as the meetings of the negotiating groups. It should be funded from local resources and existing resources of the Tripartite Committee institutions. We recommend our Governments to instruct their representatives in the institutions of the Tripartite Committee — in particular the Inter American Development Bank — to allocate appropriate existing resources within their institutions to support the Administrative Secretariat. The TNC will determine the size and composition of the staff and will appoint the Head of the Secretariat.

Tripartite Committee

15. We express our appreciation to the Tripartite Committee for the technical and logistical support given during the preparatory phase of the FTAA negotiation. We request that the respective institutions of the Tripartite Committee continue to provide the appropriate existing resources necessary to respond positively to requests for technical support from FTAA entities, including reallocation for this purpose if necessary. Furthermore, we ask the three

institutions to provide technical assistance related to FTAA issues to member countries, particularly smaller economies, at their request, according to the procedures of the respective institutions.

16. We also express our appreciation and reiterate our interest, that the pertinent multilateral, regional and subregional institutions continue to offer, in their areas of recognized specialization, additional contributions in response to specific requests from the TNC and the negotiation groups.

IV. OTHER ISSUES

Participation of Civil Society

17. We reaffirm our commitment to the principle of transparency of the negotiation process, to facilitate the constructive participation of the different sectors of society. We also reaffirm our commitment to the Belo Horizonte Ministerial Declaration and to paragraph 4 of the Singapore Ministerial Declaration of the WTO.

We recognize and welcome the interests and concerns that different sectors of society have expressed in relation to the FTAA. Business and other sectors of production, labour, and environmental and academic groups have been particularly active in this matter. We encourage these and other sectors of civil societies to present their views on trade matters in a constructive manner. We have, therefore, established a committee of government representatives, open to all member countries, who shall select a chair. The committee shall receive inputs, analyse them and present the range of views for our consideration.

In this regard, we value the contributions made by the business sector through the Business Fora of the Americas of Denver, Cartagena, Belo Horizonte and San José.

Concrete Progress by the Year 2000

18. We reaffirm our commitment to make concrete progress by the year 2000. We direct the negotiating groups to achieve considerable progress by that year. We instruct the TNC to agree on specific business facilitation measures to be adopted before the end of the century, taking into account the substantive work that has already emanated from the FTAA process.

Electronic Commerce

19. We noted the rapid expansion of Internet usage and electronic commerce in our Hemisphere. In order to increase

and broaden the benefits to be derived from the electronic marketplace, we welcome the offer of Caricom to lead a joint government-private sector committee of experts that will make recommendations to us at our next meeting.

Acknowledgment

20. We wish to express our gratitude to the Government of Costa Rica for its notable contribution to the advance of the FTAA process during the last year, by presiding over the deliberations of the Preparatory Committee of the Negotiations, as well as the Fourth Meeting of the Ministers Responsible for Trade in the Hemisphere, which concluded the preparations to initiate the FTAA negotiations.

Annex I

GENERAL PRINCIPLES AND OBJECTIVES

The negotiations for the construction of the FTAA will be guided by the following General Principles and Objectives:

General Principles

- a) Decisions in the FTAA negotiating process will be made by consensus.
- b) Negotiations will be conducted in a transparent manner to ensure mutual advantage and increased benefits to all participants of the FTAA.
- c) The FTAA Agreement will be consistent with the rules and disciplines of the WTO. With this purpose, the participating countries reiterate their commitment to multilateral rules and disciplines, in particular Article XXIV of the General Agreement on Tariffs and Trade (GATT) 1994 and its Uruguay Round Understanding, and Article V of the General Agreement on Trade in Services (GATS)
- d) The FTAA should improve upon WTO rules and disciplines wherever possible and appropriate, taking into account the full implications of the rights and obligations of countries as members of the WTO.
- e) The negotiations will begin simultaneously in all issue areas. The initiation, conduct and outcome of the negotiations of the FTAA shall be treated as parts of a single undertaking that will embody the rights and obligations as mutually agreed upon.
- f) The FTAA can co-exist with bilateral and subregional agreements, to the extent that the rights and obligations under these agreements are not covered by or go beyond the rights and obligations of the FTAA.
- g) Countries may negotiate and accept the obligations of the FTAA individually or as members of a subregional integration group negotiating as a unit.
- h) Special attention should be given to the needs, economic conditions (including transition costs and possible internal dislocations) and opportunities of smaller economies, to ensure their full participation in the FTAA process.
- i) The rights and obligations of the FTAA will be shared by all countries. In the negotiation of the various thematic areas, measures such as technical assistance in specific areas and longer periods for implementing the obligations could be

included on a case by case basis, in order to facilitate the adjustment of smaller economies and the full participation of all countries in the FTAA.

- j) The measures agreed upon to facilitate the integration of smaller economies in the FTAA process shall be transparent, simple and easily applicable, recognizing the degree of heterogeneity among them.
- k) All countries shall ensure that their laws, regulations and administrative procedures conform to their obligations under the FTAA Agreement.
- l) In order to ensure the full participation of all countries in the FTAA, the differences in their level of development should be taken into account.

General Objectives

- a) To promote prosperity through increased economic integration and free trade among the countries of our Hemisphere, which are key factors for raising standards of living, improving the working conditions of people in the Americas and better protecting the environment.
- b) To establish a Free Trade Area, in which barriers to trade in goods and services and investment will be progressively eliminated, concluding negotiations no later than 2005 and achieving concrete progress toward the attainment of this objective by the end of this century.
- c) To maximize market openness through high levels of disciplines through a balanced and comprehensive agreement.
- d) To provide opportunities to facilitate the integration of the smaller economies in the FTAA process, in order to realize their opportunities and increase their level of development.
- e) To strive to make our trade liberalization and environmental policies mutually supportive, taking into account work undertaken by the WTO and other international organizations.
- f) To further secure, in accordance with our respective laws and regulations, the observance and promotion of worker rights, renewing our commitment to the observance of internationally recognized core labour standards, and acknowledging that the International Labour Organization is the competent body to set and deal with those core labour standards.

Annex II

OBJECTIVES BY ISSUE AREA

We have agreed that the negotiations for the construction of the FTAA, in the different issue areas, will be guided by the following objectives:

MARKET ACCESS

- a) Consistent with the provisions of the WTO, including article XXIV of the General Agreement on Tariffs and Trade (GATT) 1994 and its Understanding on the Interpretation of Article XXIV of the General Agreement on Tariffs and Trade 1994, to progressively eliminate tariffs and non-tariff barriers, as well as other measures with equivalent effects, which restrict trade between participating countries.
- b) All tariffs will be subject to negotiation.
- c) Different trade liberalization timetables may be negotiated.
- d) To facilitate the integration of smaller economies and their full participation in the FTAA negotiations.

AGRICULTURE

- a) The objectives of the negotiating group on market access shall apply to trade in agricultural products. Rules of origin, customs procedures and technical barriers to trade issues will be addressed in the market access negotiating group.
- b) To ensure that sanitary and phytosanitary measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between countries or a disguised restriction to international trade, in order to prevent protectionist trade practices and facilitate trade in the hemisphere. Consistent with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement), the said measures will only be applied to achieve the appropriate level of protection for human, animal or plant life or health, will be based on scientific principles, and will not be maintained without sufficient scientific evidence.
- c) Negotiations in this area involve identifying and developing measures needed to facilitate trade, following and examining in depth the provisions set down in the WTO/SPS Agreement.
- d) To eliminate agricultural export subsidies affecting trade in the Hemisphere.

- e) To identify other trade-distorting practices for agricultural products, including those that have an effect equivalent to agriculture export subsidies, and bring them under greater discipline.
- f) Agricultural products covered are the goods referred to in Annex I of the WTO Agriculture Agreement.
- g) Incorporate progress made in the multilateral negotiations on agriculture to be held according to Article 20 of the Agreement on Agriculture, as well as the results of the review of the SPS Agreement.

Rules of Origin

To develop an efficient and transparent system of rules of origin, including nomenclature and certificates of origin, in order to facilitate the exchange of goods, without creating unnecessary obstacles to trade.

Customs Procedures

- a) To simplify customs procedures, in order to facilitate trade and reduce administrative costs.
- b) To create and implement mechanisms to exchange information in customs issues among FTAA countries.
- c) To design effective systems to detect and combat fraud and other illicit customs activities, without creating unnecessary obstacles to foreign trade.
- d) To promote customs mechanisms and measures that ensure operations be conducted with transparency, efficiency, integrity and responsibility.

Investment

To establish a fair and transparent legal framework to promote investment through the creation of a stable and predictable environment that protects the investor, his/her investment and related flows, without creating obstacles to investments from outside the hemisphere.

Standards and Technical Barriers to Trade

To eliminate and prevent unnecessary technical barriers to trade in the FTAA, based on the proposals contained in the Common Objectives Paper approved by the Working Group.

Subsidies, Antidumping and Countervailing Duties

- a) To examine ways to deepen, if appropriate, existing disciplines provided in the WTO Agreement on Subsidies and Countervailing Measures and enhance compliance with the terms of the WTO Agreement on Subsidies and Countervailing Measures.
- b) To achieve a common understanding with a view to improving, where possible, the rules and procedures regarding the operation and application of trade remedy laws in order not to create unjustified barriers to trade in the Hemisphere.

Government Procurement

The broad objective of negotiations in government procurement is to expand access to the government procurement markets of the FTAA countries.

More specifically, the objectives are:

- a) To achieve a normative framework that ensures openness and transparency of government procurement processes, without necessarily implying the establishment of identical government procurement systems in all countries;
- b) To ensure non-discrimination in government procurement within a scope to be negotiated;
- c) To ensure impartial and fair review for the resolution of procurement complaints and appeals by suppliers and the effective implementation of such resolutions.

Intellectual Property Rights

To reduce distortions in trade in the Hemisphere and promote and ensure adequate and effective protection to intellectual property rights. Changes in technology must be considered.

Services

- a) Establish disciplines to progressively liberalize trade in services, so as to permit the achievement of a hemispheric free trade area under conditions of certainty and transparency;
- b) Ensure the integration of smaller economies into the FTAA process.

Competition Policy

The objectives of the negotiations are:

a) General objectives:

To guarantee that the benefits of the FTAA liberalization process not be undermined by anticompetitive business practices.

b) Specific objectives:

- To advance toward the establishment of juridical and institutional coverage at the national, subregional or regional level, that proscribes the carrying out of anticompetitive business practices;
- To develop mechanisms that facilitate and promote the development of competition policy and guarantee the enforcement of regulations on free competition among and within countries of the Hemisphere.

Dispute Settlement

- a) To establish a fair, transparent and effective mechanism for dispute settlement among FTAA countries, taking into account *inter alia* the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes.
- b) To design ways to facilitate and promote the use of arbitration and other alternative dispute settlement mechanisms, to solve private trade controversies in the framework of the FTAA.
- c) Work in different groups may be interrelated, such as agriculture and market access; services and investment; competition policy; and subsidies, antidumping and countervailing duties; among others. The TNC shall identify linkages and outline appropriate procedures to ensure timely and effective co-ordination. We agree to give the mandate to the relevant negotiating groups to study issues relating to: the interaction between trade and competition policy, including antidumping measures, market access and agriculture, in order to identify any areas that may merit further consideration by us. The groups involved will report their results to the TNC no later than December 2000. This is without prejudice to decisions made by the TNC to dissolve, establish or merge groups. Likewise, the negotiating groups may establish ad hoc working groups.

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Statement

98/22

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE BUDAPEST
REGIONAL MINE ACTION CONFERENCE

BUDAPEST, Hungary
March 26, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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It is a pleasure and an honour to be asked to speak at this milestone conference, in this beautiful and historic building.

I salute the Government of Hungary for its vision and leadership in bringing the region together around the critical issue of global mine action. In doing so, you have brought together all the elements of the magic formula for the success of the ban effort over the past years – elements that are personified by the speakers at this table.

Ms. Williams, on behalf of the International Campaign to Ban Landmines [ICBL], has brought the voices of millions of people to event after event, making sure that we hear their strength and their insistence. The International Committee of the Red Cross [ICRC], speaking for the innocent victims of conflict everywhere, has reminded us that civilized society can and must have rules, even on the battlefield. And in every region of the world, courageous governments like those of Hungary and Norway have come forward to take a stand for humanity, irrespective of what others might do.

The Landmines Convention

This partnership of forces has driven the movement – the Ottawa Process – that resulted just four months ago in the signing in Ottawa of a convention banning anti-personnel mines by representatives of 122 countries.

Since then, the 124th country has signed the convention, and a number of countries have already ratified it. I am pleased to announce that, with the assistance of our partners around the world – especially UNICEF [United Nations Children's Fund], the ICBL and the ICRC – we are setting a blistering pace toward the 40 ratifications needed to bring the convention to life this year. In fact, with a little luck, these 40 ratifications could be in hand by July, one of the quickest entry-into-force processes in history.

I have come to Budapest today with a very simple message: the landmines ban is firmly in place, and it is here to stay, because millions around the world demand that it be so. At 122 initial signatories, the convention started out with twice the number of countries that signed the Nuclear Non-Proliferation Treaty, now considered the pillar of the nuclear non-proliferation and disarmament regime. With entry-into-force likely within months, it is clear to me that the power of this simple idea – to ban anti-personnel mines completely – has become irresistible.

Even those that have not signed the convention have fundamentally altered their behaviour in line with the norm it established. The biggest producers have curtailed, and in many cases cut off completely, their exports of anti-personnel mines. For most governments, the use of these weapons is now little more than a

theoretical possibility, unlikely to be exercised for fear of the international opprobrium that would result.

While anti-personnel mines may still for a time remain in stockpiles, they are increasingly an embarrassment to those holding them, something to be hidden from view except when making a public display of their destruction. The stigma that we have sought to attach to these weapons is arguably already entrenched in international humanitarian law.

The writing, as they say, is on the wall. Those who have not yet signed the convention will soon have to accept that the effectiveness of this weapon is too limited, the stigma attached to its use too high, and the price of waiting too great. They face a choice between signing on or being left behind, on the wrong side of history and of humanity.

Implementing the Convention

The fact is, with:

- its unambiguous and complete prohibition on the production, transfer and use of anti-personnel mines;
- its provisions for stockpile destruction within four years after entry-into-force and for clearance of mined areas within 10 years; and
- its undertakings on mine clearance and assistance to survivors;

the convention provides a complete and legally binding framework for systematically and comprehensively resolving the humanitarian crisis caused by these weapons. Universal adherence to and full implementation of the convention will ensure that we eliminate the anti-personnel mine threat for good.

When we met in Ottawa in December, governments, NGOs [non-governmental organizations] and representatives of international and regional organizations made it clear that there was one crucial missing link in the global effort to implement the convention: co-ordination. In discussion after discussion, the need for a co-ordinated international response to implementing the convention, clearing mines and assisting survivors was the constant theme.

In response to this appeal, Canada decided to host the International Mine Action Co-ordination Workshop, which took place in Ottawa earlier this week. I am pleased to report that that meeting took some important steps in identifying the challenges ahead, and the means to meet these challenges.

First, there was a recognition of the need to put implementation of the treaty at the centre of our efforts. This means working to

get the necessary 40 ratifications of the convention this year, and also toward universalization.

Second, there was strong support for the steps taken by the UN, through its new Mine Action Service, to act as the global focal point for mine action. There was also a strong desire to open up the UN system, indeed the entire global donor framework, to the driving force behind our movement: NGOs. I announced at the workshop that Canada will contribute \$2 million this year to the UN's Voluntary Fund for Mine Clearance to build the capacity of the Mine Action Service. I invite other governments to step forward and do likewise.

Third, donors and other actors made a strong commitment to co-ordinating their mine action efforts, in terms of both horizontal co-ordination and vertical integration, linking the international level with the grass roots.

Fourth, we agreed that level one and two surveys in mine-affected countries should be at the top of our agenda for mine action. The data drawn from these will ensure that we meet the obligations of the convention to establish a clear baseline and benchmarks for measuring progress, that we understand the scope of the problem, and that we allocate our resources effectively. Much of Canada's contribution to the UN Voluntary Fund will go to support this kind of activity.

Fifth, we recognized that effective mine action will depend on establishing a common framework of standards to ensure safety, inter-operability and accountability. Sixth, and finally, we affirmed the need for technology that is affordable, available and appropriate.

Mine Action in Europe

Like the Workshop in Ottawa, your meeting here today will give further impetus to the inexorable international movement against anti-personnel mines.

Central and Eastern Europe, with what some estimate to be the world's largest stockpiles of anti-personnel mines – easily in the tens of millions – is a "make or break" region for the ban. Allowing even a small portion of these stockpiles to leak onto black markets and into the ground would be a major setback. Mines in the warehouse are relatively harmless and can be destroyed for dollars. Once in the ground, they ruin lives and cost small fortunes to remove.

For this reason I applaud the unilateral efforts of countries such as Ukraine, which has recently begun to destroy its stockpile. I hope that all the countries of the region will recognize, as the countries of Africa and Latin America have,

that landmines have already taken too heavy a toll on them. Together, the countries of Europe can stand up and free the region from this scourge.

For countries that are ready to make a firm commitment to the convention but face technical or resource constraints, I believe that we will be able to mobilize assistance from the international donor community.

For its part, Canada is launching a \$10-million Mine Action Program with an initial focus in northwest Bosnia, as one of the first projects to flow from our \$100-million landmine fund. Canadian peacekeepers have responsibility for this sector of Bosnia. They know the problem first-hand, and will be part of the solution.

Our objective is to work with Bosnian authorities and the international community, including NGOs and donor countries, to substantially reduce the risk posed by landmines to the people of Bosnia within five years. This is not simply a de-mining project — it is an integrated program encompassing reconstruction and local capacity building.

I believe that we can, through concerted action with our partners, reduce by 50 percent the number of landmines in the 100 square kilometres of Bosnia designated as priority areas by the United Nations — and I believe that we can accomplish this essential and meaningful task within the next five years.

This program has been designed with co-operation in mind. Under its "adopt a team" concept, we will be looking for other donors to join Canada in supporting 30-person de-mining teams. For \$500 000 per year, these humanitarian de-mining teams will be able to operate continuously in Bosnia. This will boost the effectiveness of on-the-ground de-mining efforts, under a nationally co-ordinated program. I call on other donor countries, large and small, to consider joining us in "adopting a team." Our hope is that this program will become a model of the co-ordination needed if we are to meet our ambitious global mine action goals.

There are many other equally laudable co-operative efforts taking place. The work of the Government of Slovenia in Bosnia and the joint project undertaken by the governments of Hungary, Germany and Croatia to de-mine Eastern Slavonia are good examples of the kind of co-operation and co-ordination that will move us toward our objectives.

Years, not Decades

With the millennium almost upon us, this is a good time to set new goals, to begin working in new ways and to deal definitively

with the legacy of old ways of thinking. The workshop in Ottawa earlier this week demonstrated that we can aspire to much more ambitious goals than we had ever previously imagined. It is, I believe, reasonable to aspire to beginning the new century with no new anti-personnel mine use. And, furthermore, to aspire to resolve the humanitarian crisis posed by these weapons within the first decade of the new century. With a concerted effort, common sense and co-ordination, we can beat the landmines challenge in years, not decades.

The UN system is already moving forward, quickly, in becoming a focal point for concerted global action. And it is not alone. The Organization of American States, the Organization of African Unity and other bodies such as the World Bank are working in new ways to meet the anti-personnel mine challenge. Europe can also play an important part in this emerging global consensus.

Let us commit ourselves to cleaning up the last century's problems in the very first decade of the new century. Let us infuse the mine action process with hope, determination and a new quality of commitment and co-operation. Co-operation with a strengthened UN at its centre, and with civil society working in partnership with governments to meet a common challenge.

The decisions taken by each of the governments represented here to stay in or get out of the landmine business are vital to the health of thousands of people, not to mention the health of the landmines convention itself. If we have the right attitude, if we mobilize political will, if we marry it to resources and engage the right instruments, we can eliminate the scourge of anti-personnel mines. We can transform this region of Europe, and we can transform the world.

Thank you.

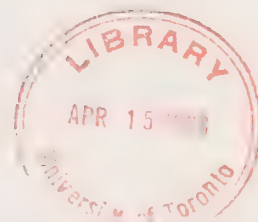
Statement

98/23

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI,
MINISTER FOR INTERNATIONAL TRADE,
TO THE CANADA-CHINA BUSINESS COUNCIL
AND THE
HONG KONG-CANADA BUSINESS ASSOCIATION

VANCOUVER, British Columbia
March 27, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



I would like to thank the Canada-China Business Council [CCBC] and Hong Kong-Canada Business Association for hosting this wonderful event.

Let me begin by congratulating the Council on your 20th anniversary!

You know, 1978 was a significant year: not only did the CCBC start up, but China and Japan signed a Treaty of Peace and Friendship, Israel and Egypt signed the Camp David Accord and disco music was all the rage. Well, three out of four isn't bad!

But in the intervening years, your Council has emerged as a vital voice for the promotion of trade and investment between our two great countries, and today I salute you on this significant milestone.

I am particularly pleased to be with you on the eve of my trip to China.

Someone reminded me that this may be the last Western-style food I see for some time, and that during the next few days I could be dining on somewhat more exotic fare. So I'm looking forward to that!

I am also delighted that 84 business people will be accompanying me on this mission – the largest such mission in many years. And the majority of these businesses are not members of the CCBC, so we have some new converts to the cause!

I am also looking forward to this visit because these are such exciting times in China and in China-Canada relations.

I'm sure that like me you have been following the news coming out of China over the past few weeks.

And, I must say that we have been encouraged by the bold steps announced by the Chinese government in a number of areas, such as the recapitalization of banks and the sweeping proposals to privatize large numbers of state-owned enterprises and to implement other far-reaching economic reforms.

These are important steps in the right direction and demonstrate China's determination to move toward a market economy. Trade is an integral part of that open market, and I look forward to working with the new Trade Minister for China, Minister Shi, in advancing the trade agenda, bilaterally, as well as multilaterally.

This is also an exciting time in relations between our two countries. We have just completed Canada's Year of Asia-Pacific and the chairing of the APEC [Asia-Pacific Economic Cooperation forum], which dramatically raised the profile of China and other Asian countries, right across Canada.

And, this was, of course, immediately followed by President Jiang Zemin's state visit. This was an excellent opportunity for the President and Prime Minister Chrétien to continue the open political dialogue that had begun during the Prime Minister's visits to China in 1994 and 1996.

These high-level contacts were bookends around the 1995 visit of Premier Li Peng — a visit that also marked the 25th anniversary of Pierre Trudeau's courageous move to recognize the People's Republic of China.

In fact, since 1994, the Prime Minister and a Chinese leader have participated in every one of your annual meetings: a record I doubt any other business association could match.

Last November, Canada also hosted the APEC [Asia-Pacific Economic Cooperation forum] Summit, a Summit that made significant progress in the area of trade liberalization.

And throughout the year, there were literally hundreds of commercial and cultural events that reminded Canadians of their Pacific identity and of the opportunities that await us there.

So, there is tremendous momentum in the China-Canada relationship, and one of the overall goals for our trip to China this week is to maintain that very momentum.

My job is made both easier and more enjoyable by the very high quality of business representatives that will be joining us, and I have every confidence that this mission will be a success.

This morning, I would like to provide you with a brief overview of our trip: Why a mission to China, what its focus will be, and what the expectations we have set are.

Some people have questioned our emphasis on China. With the U.S. market so close and so accessible, they wonder, why travel halfway around the world to look for new business? Add to that the linguistic and cultural differences and, they say, it seems like a lot of effort for uncertain returns.

But you and I know better. You and I know that Canada and China should be trading and investing in each other's economies — that the market is huge, that the opportunities are great, and that the time is right.

We also know that the enormous potential of China is clearly understood by others, and that if Canada wants to participate in its growth, we must continue to invest the time and build the relationships that will allow us to do so. Because if we don't, someone else will.

Indeed, the Trade Ministers of France and South Africa will be going to China with business delegations a few days after our mission.

And while China may be our third most important trading partner, we know that we are still only scratching the surface of what could be.

The numbers are compelling: with nearly one-quarter of the world's population and a middle class expected to reach 500 million by the year 2010, China is a market no nation can afford to forgo.

And, certainly Canada, a nation which is so dependent upon trade and which needs to find new markets and new opportunities, has no intention of watching from the sidelines.

So, the time has come to update Horace Greely's famous advice: It is time to go East, young people, go East.

And, beginning tomorrow, that's exactly what we are going to do. Our delegation will visit Beijing, Shanghai and Hong Kong with four goals in mind.

First, trade promotion and development.

In Beijing and Shanghai, we will focus on the power, construction, financial services, oil and gas, and agri-food sectors. With the recent restructuring in China, opportunities in power generation are particularly promising.

In Hong Kong, we will be exploring opportunities in agri-food, education services and construction materials. And, of course, these are just some of the sectors where Canada can use Hong Kong as a gateway to China.

In all of these areas, Canadian companies have world-leading technology to offer. In fact, there is a tremendous "fit" between what China needs and what Canada can provide.

In 1994, Prime Minister Chrétien and Premier Li Peng challenged the business communities in each nation to achieve the goal of \$20 billion in bilateral trade by the year 2000. The problems in Asia may defer the timing of that goal but, make no mistake, we're going to make it! So trade development will be an important part of the mission.

Second, we want to advance the trade policy agenda. There are a number of significant trade issues that remain unresolved.

Chief among these is access to the Chinese market, which has been hampered by high tariffs and by a lack of transparency and of a

rules-based application of regulations. Our priority is the simplification and greater transparency of the customs system.

We have been negotiating with China in all of these areas, both bilaterally and multilaterally, and I will certainly be raising them again next week.

I will also discuss China's efforts in preparing itself to join the WTO [World Trade Organization]. I am confident that progress can be made on this front. As well, our negotiators meet on this important matter in Geneva, a week after my trip, so the timing for political direction and engagement could not be better.

Third, the mission will accentuate what I call the "social dividends" of freer trade.

For me, these issues are just as important as "traditional" trade issues because they speak to the human side of the economic equation.

For example, the Canadian International Development Agency [CIDA] is working to reduce poverty in the interior provinces by promoting Canadian expertise in areas such as sustainable dryland farming techniques, dairy and pig farming. These projects prevent further environmental degradation, improve the livelihoods of the people, and reduce hunger and malnutrition.

Canada is also sharing its managerial and technical expertise to help China meet its energy and transport needs. For example, another CIDA project, managed by Nova Gas International and D&S International Consultants of Calgary, is helping China to meet its oil and gas requirements with state-of-the-art Canadian technology.

A number of Canadian companies, several of which will be on the mission, are assisting the Chinese Ministry of Construction to develop energy-efficiency building standards, based on Canadian technology that is adapted for China.

There are several new initiatives for building on the strong education and tourism links that exist between our two countries. We know the value that comes from students learning and working together in one another's culture.

Clearly, the economic benefits that flow from trade and commerce, enhance the social dividends of both nations. This isn't only good business, it's big business.

Finally, our fourth goal is to further strengthen the political dialogue between our two countries. Our relationship is strong, and it is no accident that I will be the first foreign government minister to meet with China's new Trade Minister.

As well, Canada will continue to focus on helping China improve governance, respect for human rights and democratic development processes. We have always believed that influence in these areas can best be achieved by engaging, not isolating, China.

Earlier this month, we were pleased to co-host, with China, a multilateral symposium on legal questions related to human rights, and we look forward to continued productive dialogue on human rights questions.

Our goal is the full integration of China into the global political and economic institutions. And, we will continue to support efforts in the areas of political and civil rights, religious freedoms, and economic, social and cultural rights.

Making progress on trade promotion, advancing the trade agenda, supporting the conditions that will produce social dividends for the Chinese people and continuing the political dialogue: these are our goals as we embark on our mission.

We are under no illusions as to the challenges before us. But we also know that China is on the verge of profound changes: that the China of today will be unrecognizable to the world just a few short years from now.

And, I firmly believe that when Canadians of that future time look back on the steps we are taking now, and on the leadership your Council is providing, they will recognize that we were right to persevere in building our relationship with China.

Today, trade and investment between China and Canada is still in its infancy. But we know its potential. We know how it can grow. We know what it can become. And we know what it can mean to both countries.

So, let us continue to work at it, to believe in it and to nurture it. And let us not stop until it has reached its full maturity.

Thank you.

98/24
Statement

98/24

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NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE UNITED NATIONS
COMMISSION ON HUMAN RIGHTS

GENEVA, Switzerland
March 30, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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At this time, and in this place, it is fitting that we celebrate the 50th anniversary of the Universal Declaration of Human Rights (UDHR) by asking how we can strengthen and adapt the UN human rights system in an era of unprecedented global change. It is true that the UN has developed impressive human rights credentials and tools over the last 50 years. But are these enough to meet the profound underlying changes that we face?

Human Rights in a Changing World

The breakdown of the old bipolar world order has created new possibilities to promote and protect human rights. Globalization has opened up borders to new ideas and information, providing opportunities to build a universal culture of human rights. Democracy has taken root in the majority of the world's states, and civil society is thriving. The conditions are there to achieve progress on human rights unimagined by those who drafted the Universal Declaration in 1948.

At the same time, human rights violations continue in many parts of the world: political dissidents are being jailed, people are being tortured and internal conflicts are claiming innumerable civilian lives. Globalization has a dark side: transnational organized crime, terrorism, environmental pollution, hate propaganda distributed over the Internet, and growing global economic inequities.

In short, although recent years have seen impressive progress, there is still a significant gap between respect for human rights on the ground and the lofty principles set out in the Universal Declaration 50 years ago.

The UN Human Rights System at 50

I see this 50th anniversary as a defining moment that can either build on the momentum of the past few years, or stall our advance. It is not just a milestone, but also a crossroads.

At this crossroads, we should take the road that leads toward full implementation of the standards that we have set over the last 50 years. We should ensure that our words and our written agreements produce real, concrete improvements to the application of human rights standards on the ground. This is not to say that there are no more standards to be set – but simply that implementation requires greater attention than has been accorded to date.

To meet this fundamental test of translating standards into action, Canada has planned a number of forward-looking events to mark the 50th anniversary of the UDHR. From June 22 to 24 we will sponsor, in co-operation with an NGO consortium, a conference for NGOs [non-governmental organizations] from across the globe to review progress in implementing the VDPA [Vienna Declaration and Program of Action]. Our aim is to ensure that civil society is

able to provide the strongest possible input into the UN's five-year review of the VDPA.

This conference will also mark the official unveiling of a major implementation initiative that Canada has funded: a global human rights report based solely on information from UN sources, organized by country and by theme. We believe that this will be an invaluable guide for the implementation of human rights commitments, because it will place on record all UN recommendations in a more accessible form. It will also provide a broad overview of human rights developments, as seen by the UN's independent experts and human rights bodies. This initiative is a response to the recommendations of an international conference held last year at York University in Canada, which looked ahead to the international human rights treaty system in the next century.

In September, Canada will sponsor a conference in Montréal on human rights and the Internet. New information technologies have already demonstrated their potential for good and for bad – for publicizing human rights abuses, or for spreading hate propaganda. The conference will look at ways that we can use new technology creatively, to defend and promote human rights worldwide.

As we look ahead to the next 50 years of the UN human rights system, it is only appropriate that our young people should be involved in the celebrations. Through our program of international youth internships, Canada will place 50 young Canadians in human rights-related positions in over 20 countries around the world this year, in addition to 55 placed last year. Many of them, through placements with bodies such as the Canadian Resource Bank for Democracy and Human Rights and the United Nations Association in Canada, will be seconded to UN and UN-related agencies, and to field operations in a variety of UN activities.

Renewing Our Vision of Human Rights

I spoke of adapting and strengthening UN institutions in an era of change; an era in which we grapple with issues ranging from labour standards to children's rights, impunity to peace-building, military expenditures to the export of small arms or landmines – complex, cross-cutting issues that have an undisputed human rights dimension. To address them effectively, I believe that we must start viewing human rights through the more comprehensive lens of human security, and, following the lead taken by the Secretary-General within the UN, integrate human rights concerns more fully into other aspects of international relations.

A human security approach calls not only for remedial action to address existing abuses, but also for preventive measures to address their root causes, including, as the High Commissioner noted, greater attention to the human right to development.

The link between human rights and human security is particularly clear in cases of conflict or the threat of conflict. Human rights abuses are often the early warning signal of emerging conflict. In countries torn by interethnic strife, ensuring respect for the human rights of every sector of the population is the key to building sustainable peace. Conversely, states that respect human rights and the rule of law are less likely to go to war with one another, unleash waves of refugees, create environmental catastrophes, engage in terrorism, or break their commercial commitments. Global stability and peace are intimately linked with respect for international human rights.

A key element of healing war-torn societies is restoring the rule of law and ending impunity. This is why the timely establishment of an independent and effective International Criminal Court, with inherent jurisdiction over the "core" crimes of genocide, war crimes, and crimes against humanity, is so important. If there is no impartial means to uncover truth and administer justice in the aftermath of war, nations will find themselves plunged into continued cycles of violence.

To be truly independent and effective, the Court must have a constructive relationship with the United Nations, particularly the Security Council, in which its independence and impartiality are preserved. Proceedings of the Court should not be "triggered" only by a state complaint or a Security Council referral; prosecutors should also be able to initiate proceedings. Above all, the Court should focus firmly on providing justice for the victims of conflict, incorporating considerations of gender and the rights of children.

I am following the progress of these negotiations closely, and would encourage my colleagues in other member states to give their attention to this very important exercise. The international community must not wait for another catastrophe before establishing a permanent body able to respond to the widespread atrocities that so often occur in armed conflict. As the century draws to a close, the creation of the Court would be an important and fitting accomplishment. We must not allow those who are wedded to an outmoded world view to delay us in this task.

The Human Perspective: The Campaign to Ban Landmines

The campaign to ban landmines is a clear example of how we can bring new approaches with a human focus to bear on the traditional international security agenda. For the first time, a majority of states agreed to ban a weapon that was part of the military arsenal of nearly every nation. Why? Because, with the communications revolution, the human cost of landmines had become increasingly visible.

Banning landmines could no longer be seen primarily as question of disarmament, where the focus was on the weapon itself. Instead, we began to see this as a question of humanitarian law, which takes account of civilians and the horrible impact that these weapons have on their lives. Humanitarian law put a human face on the landmines crisis.

Married to this new way of seeing landmines was a new approach to international diplomacy, based on the exercise of "soft power" – a coalition of the willing, including governments and civil society as equal partners, united around a set of core principles. This coalition built support for a total ban on anti-personnel mines with unprecedented speed and success.

I see this shift from a disarmament focus to a humanitarian focus as part of a larger trend to look at security issues from the perspective of the human being – to focus on human security. Small arms proliferation, child combatants, excessive military expenditures and peacebuilding must also be addressed from this human perspective. International humanitarian law, with its focus on the civilian cost of conflict, and international human rights law, with its focus on core standards of human dignity, are the keys to transforming the traditional security agenda. A "soft power" approach can, I believe, help us to achieve our goals under this new security agenda. Seen from this perspective, a number of key themes clearly emerge as priorities.

A Thematic Approach

Children's rights are a particularly high priority for Canada. We have been working hard on the two Optional Protocols to the Convention on the Rights of the Child, and hope to see them completed soon. At home, we have amended our Criminal Code to allow for the prosecution of Canadians who engage in commercial sexual activities with children while abroad. We hope that other countries, recognizing the importance of reducing the demand for this despicable trade, will follow suit.

Another priority for Canada is the adoption of a strong and effective Declaration on the Rights of Indigenous Peoples during this, the International Decade of the World's Indigenous People. As a demonstration of Canada's commitment to activism in

promoting indigenous interests and to developing new partnerships with the Aboriginal peoples of Canada, we have appointed our first ever Counsellor for International Indigenous Issues, Mr. Blaine Favel.

On the rights of persons with disabilities, the need is, above all, for a new way of looking at the issue. It is essential to recognize that this is not simply a social development issue; it is, fundamentally, a question of human rights. Until we acknowledge the need to analyse our mainstream policies and programs from the perspective of persons with disabilities, both at home and within the UN, we are denying their claim to full participation.

This concept of "mainstreaming" also underpins Canada's long-standing commitment to promoting the human rights of women. If we are to make the statement "women's rights are human rights" more than mere words, we must take action at home. When developing policies and legislation, we must integrate gender equality and respect for human rights from the start in all we do. That is what "mainstreaming" is all about.

Violations of the rights of women remain all too frequent. In Afghanistan, the most basic rights of women and girls – the right to work, to education and to proper health care – are routinely denied, not as matter of neglect, but as a result of policy. Most recently, the Taliban have imposed new restrictions on expatriate Muslim women working in Afghanistan. These women are essential to humanitarian relief efforts in that country. Restrictions on their ability to work will put at risk the lives of thousands of the most vulnerable Afghanis, in particular women and children. The international community must speak out, and show women in Afghanistan that they are not alone.

Mobilizing and empowering all segments of society – including children, indigenous peoples, those with disabilities and women – is key to implementation of human rights. So, too, is an enhanced partnership between states and civil society.

Full participation by the non-governmental community, including at the Commission and throughout the UN system, is central to the promotion, protection and implementation of human rights. Equally essential as a foundation for the work of NGOs is recognition of their right to defend human rights. For this reason, Canada is strongly committed to seeing final adoption of the Draft Declaration on Human Rights Defenders at the 53rd session of the UN General Assembly. It seems to us particularly appropriate, and symbolic, to adopt the Declaration in this anniversary year.

When the Secretary-General spoke to this Commission, he sent a strong message that human rights are universal. They are limited to no continent. They are the concern of all levels and sectors

of society. They are an obligation of all governments. In pursuing this goal of universal respect for human rights, an open and co-operative approach is essential. If we wish to see standards implemented, we must work together to ensure that member states have the capacity to do so.

Developing countries – particularly those struggling with the aftermath of conflict, the effects of globalization, or a sudden transition to democracy – need help in building their own human rights institutions and human rights capacity. Developed countries can also take measures at home that help to stem human rights abuses elsewhere, by cutting off exports of arms to countries riven by internal conflict, or by prosecuting citizens who exploit child prostitutes in other countries, for example.

Conclusion

Building respect for human rights is one of the most challenging tasks facing the international community as we approach the end of the century. We have come a long way, certainly, and that is cause for celebration. But there is still a clear and pressing need for sustained action, bilaterally and multilaterally.

By taking a comprehensive, co-operative and flexible approach, which places human rights within a broader nexus of human security issues and applies the principles of international human rights, we can create the conditions needed to bring the Universal Declaration into the next 50 years with renewed vigour. Above all, we can narrow the gap between the principles that the international community set down in the Declaration half a century ago, and the reality of human rights around the world today.

Thank you.

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Statement

98/25

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE CHINA-CANADA BUSINESS COUNCIL



BEIJING, China
March 31, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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It is a real privilege to be here in Beijing and to be with the China-Canada Business Council [CCBC]. It is certainly appropriate that this should be among the first stops on our visit because this organization has sought to connect our two countries and to make us aware of the opportunities in trade and investment which we have to offer each another.

This year marks the 20th anniversary of the CCBC — an age that we traditionally associate with approaching adulthood. I hope as you move through maturity toward middle age, that you won't lose any of your youthful enthusiasm!

I want to thank the Ministry of Foreign Trade and Economic Co-operation for issuing the invitation for this mission.

I am very much looking forward to working with China's new Trade Minister Shi as we promote trade and investment between our two countries.

It is also a great pleasure to be accompanied on this mission by Judy Foote, 84 business representatives, three Members of Parliament, one Senator and Newfoundland's Minister of Trade. The size and strength of this delegation is strong evidence of the importance Canada attaches to our future commercial relations with China.

We meet today at an exciting time in China's history: Sweeping reforms are being proposed, dramatic changes are taking place and a more outward-looking posture is being adopted. These reforms are welcome, and encourage us to hope for still further liberalization in the days ahead.

Canada continues to believe that the best way to influence Chinese policy is to engage, not isolate China. We were very pleased, therefore, to co-host with China a multilateral symposium on legal questions related to human rights earlier this month in Vancouver, and we look forward to a continued dialogue on these issues.

Certainly our visit could not be more timely in terms of establishing a new working relationship with the government of China. This is a new government with a strong emphasis on economic issues and we want to be part of this exciting new chapter in China's history.

In fact, my visit is just the first of many planned by our government. In the coming weeks, the Ministers of Agriculture and Agri-Food, International Co-operation, Industry, and the Secretary of State for Asia-Pacific will all visit China.

This is also a significant time in the history of China-Canada relations. Having just completed the Year of Asia-Pacific, during which we hosted President Jiang Zemin and other APEC [Asia-Pacific Economic Co-operation forum] leaders, the profile of

China has never been higher in our country. There is an increasing awareness of the opportunities for commercial relations between our two countries.

So, today, I would like to focus on Canada's larger economic agenda and how we see trade, especially trade with China, fitting into that agenda.

As you well know, Canada is a trading nation. Trade now accounts for one out of every three jobs in our country and constitutes over 40% of our GDP [gross domestic product]. In fact, Canada is more dependent upon trade to produce jobs and economic growth than any other developed country in the world. That dependence is not something to be feared, but it is something which must be understood.

We have to understand that a country so dependent upon trade is ideally suited to benefit from the liberalization of trade around the world. That's why Canada sees the globalization of markets as something to be encouraged, and we are taking a leading role in that effort.

Whether it is working bilaterally with free trade agreements such as those we have signed with Israel and Chile, multilaterally, through the World Trade Organization [WTO], or regionally, through forums such as the NAFTA [North American Free Trade Agreement] or the APEC, Canada has placed trade development and trade liberalization at the heart of our economic agenda.

Not surprisingly, Canada considers China to be a key part of that trade agenda. Its population, its progress, its importance in the world - all of these argue persuasively for patience and persistence in the face of sometimes daunting obstacles.

Our approach to trade development here, as elsewhere, is based on close collaboration with the Canadian private sector, as well as with provincial and municipal governments. This "Team Canada" approach was inaugurated in China by Prime Minister Chrétien in 1994, and, since then, its success has been replicated in other parts of Asia, and in Latin America.

The Team Canada approach led to the China-Hong Kong Trade Action Plan, which I released last year. As you know, that Plan identifies priority sectors which we believe hold the most promise for Canadian businesses. And, it is constantly evolving to meet the needs of the business community.

As we embark on what many are calling the "Pacific Century," Canadians realize that increasingly, their future is tied to this region.

The recent economic difficulties in Asia do not change that perspective. We view China as an island of stability in turbulent waters, and one which retains our confidence.

We also remain committed to fostering greater economic co-operation with our Asian partners. That was the basis for our dedicating a year to Asia-Pacific, and that was the theme of the APEC Summit in November. And, that is why APEC trade liberalization and China's accession to the WTO are key pillars of Canada's international trade development policy.

These then, are some of the broad brush strokes of Canadian trade policy. But we also know that they will remain "castles in the air" unless we achieve real progress on the ground.

The real key to expanding trade between our two countries is greater participation by small and medium-sized enterprises (SMEs). I am very pleased that one third of the delegation on this mission are SMEs.

But today, I would like to challenge those of you in the business community to tell the Embassy, and to tell me, how we can work together to help the smaller players do better here. What are the impediments? What are the particular challenges? What needs to change?

I would also like to challenge the larger Canadian business community to become more aggressive in pursuing opportunities in China. Sure, it's a tough market, but if you don't make the effort here, your competitors will.

Finally, I would ask those of you who are here, on the ground, to be our eyes and ears in China. Give us your counsel on how and where we can be most effective in encouraging the Chinese to make real reforms that will increase the transparency of doing business here.

I promise you that we will carry your agenda to the bilateral negotiating table, we will carry it to the APEC and, we will, if necessary, carry it to the negotiations on China's accession to the WTO. Because if our trade agenda is not relevant to you, as business people, it is simply not relevant at all.

You know what is at stake and through hard work and persistence, you are doing what is needed. And if the challenges before us are great, so too are the opportunities.

As I close, I was reminded of one of the ancient traditions that took place within the walls of the Forbidden City. Every year, on the ninth day of the ninth lunar month, the Emperor and Empress would climb the mountain, which afforded them a spectacular view of the surrounding landscape.

Tradition tells us that the annual pilgrimage was made to remind the Emperor of the beauty of the land he led, and to provide a perspective he would not otherwise have had.

For many years, many of you in this room have worked hard to create a foundation, a hill, from which we can see what lies ahead of us. And, if we can see a tremendous future for more trade and investment between our two countries, it is because we stand on what you have built.

Let us continue to keep our eyes on distant hills. Let us remind ourselves to look beyond the difficulties of today to the vast possibilities of tomorrow. And, let us not pause until we have realized the vast potential that lies before us.

Thank you.

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Statement

98/26

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI,
MINISTER FOR INTERNATIONAL TRADE,
TO THE CANADIAN BUSINESS FORUM



SHANGHAI, China
April 2, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



Let me begin by thanking the Canadian Business Forum for sponsoring this wonderful luncheon. Our delegation has been in China for about five days now, and we have certainly appreciated the warm hospitality extended to us.

We appreciate the efforts of this Forum, not only for today's event, but for your ongoing collaboration with the Canadian Consulate General in Shanghai to promote trade and investment between our two countries.

It is always exciting to be in the centre of the action, and as soon as one enters Shanghai, that's exactly the impression one gets. Located within a 500-kilometre radius are 35 cities with populations of one million or more. In addition, Shanghai accounts for over 25 percent of the two-way trade between Canada and China. This is a market that no business person can afford to ignore!

Shanghai has long been China's most dynamic, most progressive and most western city. Now, it is also increasingly the source of China's political leadership, with your former mayors, assuming duties as President and Premier. It says something about the pride of the Shanghainese that some of them consider these to be lateral appointments!

Canada was honoured to host President Jiang last year – a visit that enabled him and Prime Minister Chrétien to continue the open political dialogue that had begun during the Prime Minister's previous visits to China in 1994 and 1996. And we are looking forward to welcoming the current Mayor of Shanghai to Canada later this spring.

As you know, 1997 was designated the Year of Asia Pacific in Canada. It was an exciting and important year, one that featured over 600 cultural and commercial exchanges. Together with President Jiang's visit and the APEC meeting in Vancouver, China's profile in Canada has risen dramatically. And we intend to keep it at the forefront.

So we come today to this city and this country at a time of tremendous momentum in our relationship, and also at a time when China is emerging as a dominant player in the global economy.

Canada understands the potential of this region. By the year 2000, Asia Pacific will account for 60 percent of the world's population, 50 percent of the world's GDP [gross domestic product] and 40 percent of global consumption. In two years, none of the world's 20 largest cities will be in Europe or the United States. And by 2010, China alone, is expected to have over 500 million middle-class consumers.

For a trading nation like Canada, which also happens to have one coast touching the Pacific and a vibrant Chinese immigrant population, the writing on the wall could not be clearer: we must

go where the growth will be; we must expand our relationship with China.

The Department of Foreign Affairs and International Trade and our provincial and municipal partners continue to look for new and innovative ways to support Canadian exporters. Last fall, I released the Canada-China Trade Action Plan, which provides a blueprint for trade with China and identifies the sectors that offer the most potential for Canadian companies. If you don't have a copy of this Plan, you can pick one up today before you leave.

The problem in China is not, of course, finding opportunity, but rather, selecting which opportunity you want to pursue. That's where our trade officers in the Consulate can help. They know the market, they know the players, they know the way things are done here, and they can be an invaluable resource. Please use them!

With the wealth of opportunities awaiting Canadians here in Shanghai, it is tempting to try to talk about all of them. But today, let me focus on just three.

The first is in the area of construction and infrastructure.

The Yangtze Delta has over 70 million inhabitants, and the strong growth in the construction sector of Shanghai has been replicated in many other cities within this region. Several Canadian companies are already engaged in housing projects in and around Shanghai — companies such as Davie International Inc., Easy Field Consultants, and Michael H. K. Wong Architects and Planners, all of whom are with us here on the mission.

In fact, Canadian exports to China of construction products, materials and services more than doubled between 1992 and 1996. Canadian companies have had particular success in providing design, engineering and architectural services here in Shanghai.

As incomes of urban dwellers continue to rise, the demand for high quality, energy-efficient housing will also increase. This means real opportunities for Canadian companies.

The housing market will also benefit from two important developments. The first is the introduction of mortgage financing and the second is the new Construction Law, passed just last month. That law aims to improve transparency of the project approval process, enhance worker safety and promote fair business practices.

As well, the Canadian International Development Agency [CIDA] is currently involved in a five-year project to demonstrate Canadian capability in the area of energy-efficient building construction, with demonstration sites in Shanghai, Beijing and Harbin. A

number of Canadian companies such as Soprin International and ADS International are transferring technology and establishing joint manufacturing facilities.

The move toward sustainable development will not only benefit our housing sector, but our environmental technology sector as well. China is recognizing the need to address serious energy and pollution problems, as witnessed by the large delegation they sent to Globe 96 and Globe 98 in Vancouver. Canadian companies, both large and small, are well-positioned to offer their expertise in this vital area.

A second area of great opportunity for Canadian businesses is agriculture and agri-food. The increasing popularity of western-style food and fish products here in the Yangtze Delta provides a large market for our products.

We are delighted to have with us on this mission, Judy Foote, Minister of Trade for Newfoundland, who I'm sure can provide you with all sorts of information about fish products from that part of the country.

As you know, China has set itself the goal of becoming self-sufficient in food as part of the Ninth Five-Year Plan. This provides enormous opportunities for Canada, which has some of the best agricultural technology in the world.

From greenhouses to grain-handling equipment, animal genetics to feeding techniques, Canadian companies can provide state-of-the-art technology and equipment to assist China in its drive to increase agricultural efficiency.

Third, and finally, there is tremendous opportunity to increase investment by Chinese, and specifically, Shanghainese, companies in Canada.

At the moment, Chinese investment in Canada is limited to a few resource-based ventures. The time has come to diversify that portfolio into areas such as telecommunications, information technology and agri-food.

I believe that the best way to attract Chinese investment to Canada is to simply lay out the facts — facts like our balanced budget, low interest rates, low inflation, plus economic growth that is expected to be the highest of all G-8 countries. Facts like our standard of living, our clean and safe cities and our abundance of natural resources.

Canada is a great story, and it's one we need to tell more often. Just how attractive Canada should be to international investors was demonstrated recently by a KPMG study that compared the costs

of starting up a business in seven countries: Germany, France, Italy, the United States, the United Kingdom, Sweden and Canada.

The study found that it is cheaper to set up and run a business in Canada than anywhere else studied. In other words, investors from Asia who want a gateway to the 400 million consumers of the NAFTA [North American Free Trade Agreement] market can do so in a more cost-effective way by looking to Canada rather than to the United States.

This is a story that deserves to be told! This is a message that Chinese investors understand! And this is the message that I invite every Canadian business person to take to your contacts throughout this region.

Construction, agriculture and investment – these are just some of the areas of opportunity awaiting Canadian business here in China.

You know better than I that the progress we have made to date – in creating forums for Canadian involvement in the Pacific and in opening doors for Canadian companies – is just a prelude to the work we still have to do.

But thanks to the Canadian Business Forum and others, we have a solid foundation upon which to build.

In 1975, as plans for the United States celebration of its Bicentennial were well under way, Premier Zhou En Lai was asked what he thought of the American Revolution, 200 years later. The Premier thought for a moment and then replied, "too soon to tell."

Premier Zhou's response was steeped in 5000 years of Chinese history, and reflected the great Chinese virtue of always taking the long view. It was also a useful reminder of the need for patience when dealing with this market.

Even here in Shanghai, where the pace of change is explosive and the quest for the new is unrelenting, we need to take the time to establish the relationships and develop the trust that will lead to successful, long-term enterprises.

So let us invest the time, explore the opportunities and continue the work that has so well begun.

Thank you.

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Statement

98/27

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI,
MINISTER FOR INTERNATIONAL TRADE,
TO THE
CANADIAN CHAMBER OF COMMERCE IN HONG KONG

HONG KONG, China
April 3, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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I would like to begin by thanking the Canadian Chamber of Commerce in Hong Kong for hosting this great event.

As you know, earlier this week I began my trade mission in Beijing and Shanghai. As the final leg of my trip, I am delighted to be here in Hong Kong – a region that has become the symbol of the new China and the face of Asian prosperity to the world. You don't have to be here very long before you feel the excitement, the dynamism and the energy of this place!

You also don't have to be here very long before you begin to feel the Canadian presence. More than 150 000 Canadians live in Hong Kong and the ties between us are strengthened by the half million people of Hong Kong origin living in Canada.

Our strong people-to-people ties mean that Hong Kong's continued autonomy, prosperity and the well-being of its people are of direct importance to Canada.

For Canadian businesses, Hong Kong represents a natural fit: English is the major language of business, British common law is the basis of contracts and the banking system, and other business structures are familiar. Yours is the largest Canadian Chamber of Commerce outside Canada, and Hong Kong boasts over 20 Canadian university alumni associations. It's no wonder we feel so much at home here!

Just how important is our relationship with Hong Kong? Well, in 1996, Canadian exports here totalled more than \$1.5 billion. Canada, in turn, imported about \$1.1 billion from Hong Kong. This is Canada's seventh-largest trading partner in the world, and our fourth-largest in Asia. In fact, when combined with China, you form our third-largest trading partner in the world.

It is also the single-most important source of immigration and immigration-related investment for Canada. Not surprisingly, Mandarin and Cantonese are now the most spoken languages in our country after English and French. We Italians are losing ground!

As important as the Hong Kong market is in its own right, I believe its role as an entry point to the broader China market may be even more significant. The emergence of China as a world force and a mega-economy engages Canada on all dimensions of our foreign policy priorities, not the least of which is trade.

As an entry point, this market is particularly valuable for small and medium-sized enterprises [SMEs], which at least at the outset, do not have the experience or resources to directly penetrate the often daunting uncertainties and complexities of the Chinese market.

I am very grateful for the hard work your organizations have invested in opening doors and paving the way. Many of you have been at this for some time, and it must be very gratifying to see

how trade and investment between China and Canada have expanded over the years. It has sometimes been a tough struggle, but you have kept the faith and stayed the course and now all of us are benefiting from your efforts.

In this regard, I would like to commend the Canadian Chamber of Commerce for its initiative in establishing an annual award recognizing the Canadian-based SME that has been most successful in launching or sustaining its presence in Hong Kong and the region.

Through the years, China and Canada have come to know one another better. Cultural exchanges have broadened understanding and enhanced appreciation for our respective cultures. And we have created strong academic relations. More than 12 000 Hong Kong students studied in Canada in 1996, and the Canadian Education Centre in Hong Kong aims to attract even more students to Canada. Increasingly, a Canadian education is becoming an important export commodity.

In the case of Hong Kong business students, they don't even have to leave home to receive a Canadian education; there are three Canadian universities offering business courses right here in Hong Kong. Add to these connections the strong bonds of family and, increasingly, of commerce, and you have a relationship that is firmly rooted in the past and well positioned for the future.

And make no mistake, strong as our relationship may be and dramatic as the increase in trade and investment between us has been, we're just getting started.

As we approach the next century -- which has often been predicted to be the "Pacific century" -- Canada is looking more and more to the Pacific Rim for our own economic growth. We recognize that our future is here, that the markets are here, that the greatest opportunities of tomorrow are here.

And as the business, financial and communications centre of Asia, Hong Kong is a natural place for us to concentrate our efforts -- not only as a destination, but as a gateway for the re-export of Canadian goods to China.

Less than a year ago, Canadians, like people around the world, watched the reversion of Hong Kong to China. We have been very impressed at how well the People's Republic of China has handled the transition, and we remain committed to maintaining our close relations with this dynamic region.

In my meetings today with Chief Executive Tung Chee Hwa and Chief Secretary Anson Chan, it became clear to me that Hong Kongers are running Hong Kong. I am greatly encouraged by the degree to which

Beijing has stepped back to allow the Administration to get on with its work.

In Beijing, we have recently seen some of the sweeping proposals for reform coming out of the National People's Congress, and we applaud the initiatives of the Chinese government to move toward a market economy.

Many of the reforms, particularly on the political side, have not gone as far or moved as quickly as we would have liked, but we see the trend and we know where it is headed.

So we are here today not only to seek mutually advantageous commercial relations, but also to express our confidence in the process of reform. We will continue to support that process by engaging, not isolating China. And we will demonstrate that support by investing and doing business here. We believe that it is possible to walk arm in arm, even if we don't always see eye to eye.

For Canadian business people, China can be a challenging market — who knows that better than you? In fact, I suspect that many of you can identify with one of Yogi Berra's famous expressions when he said that he didn't mind being surprised, so long as he knew beforehand. Surprises — and not always pleasant ones — can often characterize doing business in this market. But you also know that the difficulties pale against the possibilities.

Let me just mention one such possibility — the potential for Canadian businesses in the agri-food sector.

Earlier today, I participated in the launch of the "President's Choice" line of products, in the Parkview Park-and-Shop Supermarket. Many Canadians are already familiar with this product line, and I am delighted that we are bringing it to Hong Kong.

When I heard about plans to introduce these products to China, I wondered if they were going to name their line of sauces after Canadian cities: "Memories of Red Deer" just doesn't seem to have the same ring as "Memories of Kyoto"!

But the potential for Canadian food products is tremendous. Canadian food exports to Hong Kong have increased from \$17 million in 1986, to \$590 million in 1996 — a 34-fold increase! With 22 percent of the world's population and only 7 percent of the world's arable land, Canada can carve itself a niche in this important market.

And I know that the Canadian companies on this mission are excited about partnership opportunities with Hong Kong businesses in many other sectors as well.

As Hong Kong and China continue to grow and to play increasingly larger roles in the global economy, Canada stands ready as a firm friend and reliable partner to assist in that growth and to encourage continued political and economic reforms. In my meetings today, I reaffirmed Canada's strong support both for continuity and for positive and healthy evolutionary change.

I should also commend Mr. Tung and his team for the steady hand and firm resolve with which Hong Kong has faced and managed the effects of regional financial and economic turmoil. Hong Kong is in a strong position to weather the storms. Despite the uncertainties, Canadian businesses know that now is not the time to cut and run. We are here for the long term, as the potential for this region is significant.

In the years ahead, Hong Kong will remain a vital source of investment, a fertile market for Canadian goods and services and an ideal base from which to gain access to markets in China and the Pacific Rim.

A few days ago — on April 1 — it was National Tree Planting Day in China. As I thought about that, I was reminded of a French story and a Chinese proverb.

The French story is about that great marshal, Louis Hubert Lyautey. Marshal Lyautey once asked his gardener to plant a tree. But the gardener objected, arguing that the tree was slow-growing and would not reach maturity for many years. The marshal replied, "then we have no time to lose. Plant it this afternoon."

And the old Chinese proverb counsels, "Be not afraid of growing slowly. Be only afraid of standing still."

The full maturation of the Chinese-Canadian relationship — including that with Hong Kong — may still be years away. But we have no time to lose. Let us continue to cultivate and nourish it. And let us ensure that we never, ever stand still.

Thank you.

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Statement

98/28

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO
THE CANADIAN COUNCIL FOR THE AMERICAS

TORONTO, Ontario
April 14, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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Canada

It's great to be with you today.

Actually, it's great just to be back in Canada. Over the past few weeks I have been in Costa Rica, Shanghai, Beijing and Hong Kong, and of course I'm about to leave for Santiago. They told me I was going to see the world in this portfolio but I didn't think I was going to see it all in the first year!

Let me begin by congratulating the Canadian Council for the Americas [CCA] on your 10th anniversary. As we've just heard, these have been 10 dynamic years, during which you emerged as a vital voice for enhanced trade and investment between Canada and the countries of Latin America and the Caribbean.

So I am delighted to be with you today and to express my congratulations – and my appreciation – to the Council for your years of service to Canada and the rest of the Americas.

In particular, I want to thank you for your magnificent contribution to the most recent Team Canada trade mission – the largest and most comprehensive to date. Some 60 participants in that mission were members of the CCA. I was delighted to meet them, get to know them better and see them achieve such great success.

Talking with many of the companies involved in the mission – and with other Canadian businesses – I am most impressed at how bullish they are on this region. They point to how well regarded Canada and her companies are and how we are seen as a counterbalance to the United States in the region. They also point to our trade agreements with Mexico and Chile and our negotiations towards an enhanced relationship with the Mercosur nations. And they point to the similarity of our business cultures and even of our time zones.

So our business community has clearly recognized the opportunities that await them in Latin America. The size and accomplishments of the Team Canada mission gave only a taste of the excitement and enthusiasm that Canada feels about the launch of the FTAA [Free Trade Area of the Americas] later this week in Santiago.

Of course, those of you here understand these opportunities better than most. You know that by the year 2000, Latin America will have a population of 500 million and a GDP [gross domestic product] of \$2 trillion. You also know that in the years ahead, this will be one of the "big three" regions, along with Europe and Asia.

And you understand how well Canada is positioned – with historic connections to the 15-member European Union [EU], emerging links with the 18 APEC [Asia-Pacific Economic Cooperation forum] countries and hemispheric links with the 34 states of Latin America – to participate in, and benefit from, our association.

Strategically Canada is well positioned with membership in two of three regional clubs — the APEC and the FTAA — and deep historical roots to the third, namely Europe.

Latin America represents a ground-floor opportunity and Canada does not intend to be left out.

This afternoon, I would like to offer you a brief report on what was achieved at the Trade Ministers meeting last month in Costa Rica, in preparation for the FTAA liftoff. I'll also outline some of the challenges we face as we look to Santiago and beyond.

While the seeds of this immense project were planted in Miami, the dream for unifying the Americas was germinated in the hearts and minds of people over countless generations. Now, we have the opportunity to bring this great dream to reality — to transform the hemisphere with the power of an idea.

I can tell you that our meeting in Costa Rica was animated both by the excitement of participating in history and a keen sense of responsibility to those who will live that history.

We knew that there was much to be done if we were to discharge our responsibility and, that while it was fine to have castles in the air, what we really needed was progress on the ground. And so, at Costa Rica, we began to lay the foundations for Santiago.

Let me mention a few.

First of all, we agreed that it was important to have a clean and comprehensive launch at Santiago. If we are to maintain the momentum generated to date, we will need to demonstrate our determination to get right to work and tackle the tough issues.

To that end, we agreed that the Trade Negotiations Committee will hold its first meeting before the end of June. The individual negotiating groups are to begin their work by September of this year.

And, I think it is significant that we have not chosen to address the so-called easy issues first and leave the more complicated items to a later date. Such an approach has its appeal but it would send the wrong signals and start us off on the wrong foot. Instead, Ministers agreed to put all of our cards on the table so that all negotiations could start immediately and proceed simultaneously.

In terms of content, nine negotiating groups were established on the issues of market access, agriculture, investment, government procurement, services, intellectual property rights, subsidies, anti-dumping and countervail, competition policy and dispute settlement.

As you may know, Miami will be the venue for these negotiations over the next three years. This choice is a strong indication that the United States intends to remain fully engaged in the discussions.

Subsequently, the Secretariat will transfer to Panama and Mexico for the remainder of the seven-year journey. This will ensure both balance and an appropriate sharing of responsibilities.

A second significant achievement of the Costa Rica meeting was the creation of a Consultative Group on Smaller Economies to ensure that the concerns of smaller nations are taken fully into account in the talks.

Canada understands these concerns. Having negotiated a free trade agreement with the United States — a country 10 times our economic size — we are sensitive to those issues and we were aggressive in voicing them at the Costa Rica meeting.

If you are from Trinidad, for example, with 1 million people, and you look at Brazil, with 160 million, certain legitimate concerns naturally arise.

So we have to go into these talks with our eyes open, and our hearts and minds must be equally open to the marked differences between economies. To do otherwise would be to risk leaving some countries behind, just as we are beginning.

It was also agreed in Costa Rica to establish a committee that will receive input from a broad cross-section of our civil societies — such as labour, environmental groups and the academic community — about how they think the FTAA should evolve.

This particular initiative was sponsored by Canada and we are very proud to see it reflected in the results of the meeting. We think it is a crucial requirement. I will have more to say on this in a moment.

Finally, Ministers turned to Canada to chair the negotiations of the FTAA for the first crucial 18 months. This also means that we will host the next Ministerial meeting, scheduled for later next year.

Canada accepts the chair position with both pride and enthusiasm. It is a strong vote of confidence in our ability to get the talks off to a quick and productive start. While it is an honour we did not seek, it is a challenge we willingly accept.

In this regard, we are particularly pleased that the final outcome of the Costa Rica meeting reflects, to a significant extent, the Canadian declaration, which we tabled at the start of the talks.

Of course, any initiative as broad in scope and as ambitious in intent as the FTAA will present challenges as well as opportunities.

Let me turn now to some of the challenges we face.

First, and most obvious, is the lack of U.S. fast-track authority.

Now, I know there are those who say that no fast-track at the start of the talks means that the talks are going to fizzle or even fail, that we are starting out with one hand tied behind our backs. I disagree.

Of course, it would have been preferable for President Clinton to arrive in Santiago with fast-track, but the reality is that much work can and will be done at the front end, without fast-track authority.

In fact, the greatest danger now is to allow uncertainty to become paralysis — because the real question is not whether fast-track will come but when. The U.S. administration is extremely supportive of this historic undertaking. So too is the American business community. I think it is just a matter of time before Congress follows suit.

Clearly, we would prefer to see fast-track authority come sooner into the talks rather than later, because no one will want to negotiate twice.

But let's keep this in perspective: when the Uruguay Round began in 1986, the United States Government didn't have fast-track authority either but was able to obtain it during the course of the negotiations.

In addition, the deadline for negotiating the FTAA is 2005. This is a long-distance race, not a hundred-yard sprint. We have to pace ourselves.

A second challenge is for the FTAA to develop a rules-based regime with a strong and independent dispute settlement mechanism that treats all partners equally, not by the measure of their might.

Rules lead to stability, predictability and fairness. Canada knows this firsthand, having negotiated an effective dispute settlement mechanism with the United States in the FTA [Free Trade Agreement] of 1988. We have seen it work, experienced its effectiveness and understand its importance. This is one of the principle reasons that permits us to do so well in our bilateral relationships despite the huge size differential in our economies.

There are no shortcuts for an effective outcome. Only through well-defined rules will we prevent a "law of the jungle" in international trade.

The final challenge before us is to engage our peoples in this ambitious project.

The Canadian government, and Canadians generally, want the process to be transparent. And we want to involve our citizens in its creation, to share with them the excitement in building something truly historic – not simply to present it to them afterwards as a fait accompli.

We have the chance to set this tone right at the start of the negotiations. I am very hopeful that Canadians from all walks of life will give this careful consideration and then provide us with their views.

To facilitate Canadians' input, we will be devising a public process of engagement and discussion. I would also expect that organizations such as yours will be an integral part of this dialogue, and will play a leadership role in demonstrating the benefits and the opportunities that the FTAA offers to Canadians.

In closing, let me say that I believe there are certain times in the life of a nation when vital decisions are made and new directions are charted. I believe that Canada faces such a moment now.

Our commitment to pursue an FTAA – indeed, to take a leadership role in the effort – will affect not only who our trading partners will be, but also how we view ourselves and our place in the world community.

Over the coming few years, I predict that there is going to be a dramatic discovery among Canadians. We will move from seeing ourselves as proud North Americans, with strong and historic roots in Europe and exciting new bonds with Asia, to a nation and a people who are prepared to embrace the world of the Americas and help shape a common destiny.

The historic hosting of the Trade Ministerial in 1999 will be part of the shift; the Pan-American Games in Winnipeg next year; and the OAS [Organization of American States] meeting in 2000 will all be a part of the process of transformation – our rendez-vous with yet another side of the Canadian identity.

We are embarking on a great journey with both optimism and realism. We are under no illusions about the task before us, but we are also aware of the historic opportunities that await us.

Our goal is nothing less than a free trade area stretching from the Arctic Circle to Argentina: one giant market.

But we do not seek this agreement to enhance trade for its own sake. We seek to enhance trade for the benefit of the people and their families who will find markets for their products, rewards for their labour and hope for their future.

Nor should anyone think that the FTAA is simply about trade. It is much more. It will incorporate important initiatives toward elevating education and training, eradicating poverty levels and building up democratic institutions.

In the end, the FTAA is about tying together the strands of the Americas and knitting them into a true community. We can unite the Americas as never before and create a region great in both prosperity and freedom, for all of our peoples.

More than 150 years ago, Simón Bolívar spoke of his desire to see the Americas fashioned into the greatest region in the world – "greatest," he said, "not so much by virtue of her area and her wealth, as by her freedom and her glory."

Today, we have the opportunity to bring Bolívar's dream closer to reality, for the FTAA is about discovering freedom in diversity and creating strength in unity.

Thank you.

Statement

98/29

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
AT A NATIONAL PRESS CLUB NEWSMAKER BREAKFAST
ON THE OCCASION OF THE RELEASE OF
THE REPORT:
"OPENING DOORS TO THE WORLD: CANADA'S INTERNATIONAL
MARKET ACCESS PRIORITIES — 1998"

OTTAWA, Ontario
April 15, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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Actually, it's nice just to be home again. Over the past few months I have been to Chicago, China, Costa Rica, Chile, Mexico, Brazil, England, Korea and Argentina — just to mention a few destinations! My suitcase has more stickers than Lucien Bouchard has party memberships!

This morning I want to focus for a few moments on a new report which the Department of Foreign Affairs and International Trade is releasing today, called *Opening Doors to the World: Canada's International Market Access Priorities — 1998*.

Of course, opening doors is what the Team Canada trade missions have been all about. They have opened doors for hundreds of small and medium-sized companies that never would have tried these markets on their own.

The missions have also opened doors for creative alliances between Canadian companies large and small. By combining their strengths, these firms have discovered that they can compete successfully in international markets.

And the Team Canada concept has opened a new door in federal-provincial partnership. In fact, someone said that the last Team Canada mission was "the best 10 days of the year" in federal-provincial relations.

I can tell you that when foreign countries see the Prime Minister and premiers working side by side with Canadian companies, the association confers on those companies a credibility and a standing that they might have taken years to develop on their own. That point has been made to me by business after business.

The Team Canada missions have done something else as well; they've presented the new face of Canada to the world. In country after country, city after city, we have been able to showcase our strengths in the new, knowledge-based economy. We have been able to demonstrate our world-leading technology in areas such as telecommunications, mining and environment.

Nations that may have thought of us as only a resource-based economy now have a different perspective. And by changing how they see us, we are also changing how they trade with us.

In short, Team Canada has been one of the most successful initiatives in the history of our trade promotion policies. While it can always be improved and refined, the bottom line is that no other country is doing what we're doing, or doing it as well.

Why this emphasis on trade promotion? Because one job out of every three in Canada depends on our ability to trade abroad, and 40 percent of our GDP [gross domestic product] is directly related to trade. This is a very significant proportion. In fact, Canada is more dependent on trade than any other G-7 [Group of Seven] nation.

Increased trade and investment abroad means jobs and growth here at home. In fact, we estimate that for every \$1 billion of new exports, about 8 000 jobs are created for Canadians.

But if trade is our lifeblood, access is its arteries. If we are to continue to grow, if we are to continue to provide jobs for the present and expand our economy for the future, we must continue to knock down the barriers to freer trade around the world.

Because impressive as trade liberalization has been in recent years, there is still a long way to go. The world may indeed be a global village but, from a trade perspective, there are still neighbourhoods we cannot enter, streets we cannot travel and stores where we cannot sell our goods.

That's why, as Trade Minister, cutting the red tape and removing the barriers are among my highest priorities. After all, it is a simple fact of the marketplace that we can't sell if we can't get in.

Our trade policy must work hard to pave the way for our trade promotion. And that's what today's report is all about.

The report, *Opening Doors to the World*, looks back at the success we enjoyed in liberalizing trade last year, and ahead to what still needs to be done.

Last year, for example, we were one of 70 countries that successfully concluded negotiations on a financial services agreement at the World Trade Organization (WTO). The agreement will give Canadian financial institutions better access to key markets in Europe, Asia and Latin America.

And, of course, last November in Vancouver, the 18 members of the Asia-Pacific Economic Cooperation forum (APEC) agreed to pursue a program of voluntary liberalization in 15 different sectors, covering over \$1 trillion in trade.

Looking ahead, the report outlines our objectives at the WTO and APEC, as well as with key partners such as the United States.

It also sets our objectives in one of the most promising and exciting initiatives this year: the start of negotiations on a Free Trade Area of the Americas (FTAA). Canada will chair the negotiations for the first 18 months.

The report shows the direction our trade policy is taking and the priorities we attach to various markets. You will see that Canada has focussed on some of the fastest-growing areas in the world: markets such as Latin America, Asia Pacific and Europe. We want to be where the action is, where the greatest opportunities lie.

Not surprisingly, Canada has been at the forefront of trade liberalization around the world. Whether it was free trade agreements with Israel and Chile, supporting the WTO, or opening doors in China and Latin America through Team Canada missions, Canada has demonstrated its commitment to liberalizing trade around the globe.

As I said, Canada has been a strong supporter of the WTO because we believe that access to world markets depends on a fair and open international trading system. As a relatively small nation heavily dependent on trade, we understand the importance of effective trade rules to ensure that might does not equal right when it comes to trade disputes.

Canada's trade strategy is straightforward: open doors to new markets and then promote our businesses within those new markets.

And doors that we have opened, we will keep open – by resolving problems with our trade partners and taking action as necessary to ensure they honour their commitments.

We will do all we can to help Canadian businesses begin exporting or expand their base into new markets.

Our Trade Commissioners, in more than 100 offices around the world, will continue to help match Canadian firms with international opportunities. Here at home, my department stands ready to provide one-stop shopping for Canadian businesses looking to expand into new markets.

I am proud of this report and of the progress it represents. But I am prouder still of the individual Canadians who are taking the risks, winning the contracts and making their mark in the international marketplace.

As a nation, we have established our ability to compete in the global economy. We have proven ourselves to be adept traders at a time when the world is moving progressively toward freer trade. This bodes well for our future prosperity.

But there is nothing automatic, nothing inevitable about either Canada's continued success or the world's steady march toward liberalization. Freer trade may be an idea whose time has come, but it is not an idea whose success is assured.

We must continue to support the institutions that seek a rules-based system of trade.

If we do all of these things, if we can rise to these challenges, Canada's future looks very bright indeed.

Thank you.

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Statement

98/30

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO A CONFERENCE ON UN REFORM
AT THE KENNEDY SCHOOL, HARVARD UNIVERSITY

"THE NEW DIPLOMACY:
THE UN, THE INTERNATIONAL CRIMINAL COURT
AND THE HUMAN SECURITY AGENDA"

CAMBRIDGE, Massachusetts
April 25, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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I am glad to see that even though this is Harvard, you have come out to hear a Princeton graduate speak. You could say it's a little like inviting Fidel Castro to speak at a Jesse Helms supporters meeting! But if you are willing to be broad-minded about it, then so am I.

It is particularly fitting that we have met to discuss the future of the United Nations (UN), including proposals for a new International Criminal Court (ICC). After all, Canada and the United States have both strongly supported the UN from its inception. In fact, the United States bears much of the credit for bringing the UN into being. Harry S. Truman, recalling the 1945 founding conference, said that those who were there "set down on paper the only principles which will enable civilized human life to continue to survive on this globe."

Through the darkest years of the Cold War, the United Nations did just that. As Henry Cabot Lodge, the former Republican Senator and United States Ambassador to the UN pointed out, however dull the debates, they were always preferable to the alternative – war. Now, however, the world in which the UN was founded is being transformed. The UN is being called upon to address issues and challenges wholly, unlike those of the past.

At this critical juncture, Canadians are concerned at the apparent reluctance of the United States to sustain its leadership role in the UN in terms of rule of law and collective security. On a growing number of issues – payment of dues, Security Council reform and limits on peacekeeping operations – we find ourselves at odds with an influential body of American opinion.

We are not, I should add, at odds with the vast majority of ordinary Americans, who in polls have supported U.S. presence and participation in the UN. Nonetheless, it is an uncomfortable and unusual situation for Canada to disagree with a dominant strand of U.S. political opinion on a matter related to the UN. But we feel strongly that we cannot shift on such basic principles as all members paying their assessed dues in full and on time. Any departure from this seriously endangers the UN.

The hostility towards the UN in some quarters in the United States is particularly unfortunate when the world cries out as never before for UN-sponsored negotiation, co-ordination and intervention. From the Persian Gulf to Central Africa, from Afghanistan to Haiti, the need for the UN and its dependent organizations is clear and pressing; yet at almost every turn it finds itself hampered, whether by lack of money or by lack of a mandate from the Security Council.

In the campaign to ban landmines, for example, we had to go outside the UN's Conference on Disarmament to get an effective ban convention. This was not because of any disdain for that venue – quite the contrary – but because we saw that, if we

wanted a complete and effective ban in our own lifetimes, we would have to find another way. At a moment of opportunity, the UN found itself structurally and politically hindered from taking action.

The very tectonic plates that underlie the international landscape are shifting. If the UN is to remain relevant, it must have the funds, the political support and the new structures that will allow it to respond to these changes.

At the time that the UN was founded, Foreign Ministers concerned themselves mainly with the security of national borders: the welfare of individual citizens was the purview of Ministers of the Interior. But as borders become increasingly porous, and Cold War threats fade, foreign policy practitioners deal increasingly with issues directly affecting the daily lives of individuals: crime, drugs, terrorism, pollution, human rights abuses, epidemics and the like.

War itself has changed, with disastrous consequences for the security and lives of many individuals. The Canadian scholar, Kalevi Holsti, has shown that since 1945, traditional wars between states have become less and less common, and internal conflicts more and more so. He cites figures that by the 1970s, 90 percent of all deaths in armed combat were in civil wars, and a further 90 percent of that 90 percent were civilian casualties. The human impact of these low tech, long-lived wars, which often explicitly target women and children, is huge.

This trend presents an acute dilemma for the United Nations, which finds itself torn between intervening in severe humanitarian crises and respecting national sovereignty. To date, it has responded largely on an ad hoc basis, although always with the terrible lessons of Central Africa and the former Yugoslavia in mind. Gradually, though, new ways of thinking are emerging that address this dilemma. As part of its reform efforts, the UN is developing formal mechanisms and structures that respond to new demands.

A key element of this new thinking is what has been called "human security." Essentially, this is the idea that security goals should be primarily formulated and achieved in terms of human, rather than state, needs. Let me give a brief example of what this means in practical terms.

The campaign that led to the signing last December of the convention banning anti-personnel mines was based on a human security approach. We started from the premise that the threat to life and limb of millions of individuals should take precedence over military and national security interests.

Why was an unlikely coalition of NGOs, humanitarian organizations and non-major powers able to advance the agenda so significantly in an area seen, until recently, as a backwater of disarmament efforts? The answer, I believe, lies in the growing importance of "soft power" internationally.

As you are probably aware, Joseph Nye used this term at the start of the decade to define an increasingly important aspect of the conduct of international relations in a globalized, integrated world – the power to co-opt, rather than coerce, others to your agenda and goals. In Nye's view, military and economic power, while still important, did not have the overwhelming pre-eminence they once did. Instead, the ability to communicate, negotiate, mobilize opinion, work within multilateral bodies and promote international initiatives was increasingly effective in achieving international outcomes.

Soft power is particularly useful in addressing the many pressing problems that do not pit one state against another, but rather a group of states against some transnational threat to human security. When there is mutual benefit to finding a solution, skills in coalition-building become increasingly important. This was the case in the landmines campaign, where major exporters and major users worked together to establish a new international norm that stigmatized these weapons.

The application of soft power to human security problems, like the landmines crisis, has turned the spotlight on a venerable area of international affairs – humanitarian law, sometimes known as the "law of war." This mix of old and new may seem surprising at first. On reflection, though, it is hardly surprising that as the nature of conflict changes, the old rules on arms control and the treatment of individuals in times of war must change too.

As we begin to understand these changes better, we are increasingly able to draw on soft power to reinvigorate humanitarian law and develop new norms within it. My hope is that the international community will be able to use the same approach to resolve other pressing human security issues such as the proliferation of small arms and the use of child soldiers in armed conflicts.

The international community is currently engaged in negotiations towards an agreement that would revolutionize our approach to human security and humanitarian law – negotiations on an International Criminal Court. This is, I believe, a major element of a reinvigorated UN, ready to face a new era. For this reason, I have chosen to focus on it in my remarks today, recognizing that there are many other areas of UN reform that should also be pursued.

The reverse side of human security is human responsibility. Those who commit the most heinous crimes in times of conflict must be held accountable for their actions. This is crucial to rebuilding peace in societies shattered by war. Without justice there is no reconciliation, and without reconciliation there is no lasting peace.

You may already be aware of the work of the International Tribunals for the Former Yugoslavia and Rwanda, situated in the Hague and in Arusha. Although hampered by a lack of resources and resistance from some quarters, the Tribunals are building great momentum in bringing war criminals to justice.

The International Criminal Court would permanently establish an impartial international venue to try those who flout the norms of humanitarian law, who might otherwise escape justice. This is not a new idea; it has been proposed in the past on both sides of the political spectrum. The Republican Senator Robert Taft argued that "Peace in the world can only come...if there is a tribunal which can interpret that law and decide disputes between nations, and if nations are willing to submit their disputes to impartial decision regardless of the outcome."

However, this is not simply a question of establishing a structure. The International Criminal Court must be a court worth having — one that is effective and independent. As with the landmines convention, a lowest common denominator agreement on a court is likely to be worse than no agreement at all.

Canada has been working with a group of like-minded states — once again, an exercise in soft power diplomacy — to draw up the outline of what an effective, independent court would look like. Several cornerstone principles have emerged from this work, which outline a court with four basic attributes:

- first, inherent jurisdiction over the core crimes of genocide, crimes against humanity and war crimes, including those committed during wars within, as well as between, states;
- second, a constructive relationship with the Security Council in which the independence and impartiality of the Court are preserved;
- third, an independent Prosecutor who is able to initiate proceedings, rather than ICC jurisdiction being "triggered" only by a state complaint or a Security Council referral; and
- fourth, a special focus on the experiences of women and of children in armed conflict — for example, recognizing rape

and the recruiting of children in times of conflict as war crimes.

Some, concerned about state sovereignty and about politicization of the ICC, argue for a weaker Court, or even none at all. I understand that the Pentagon recently called in military representatives of other nations to paint for them an alarming picture of young GIs being brought before a politically motivated kangaroo court. I believe that an International Criminal Court in the form we propose provides no basis for any such fears.

In the first place, the Prosecutor will be a professional whose work will be subject to the checks and balances provided by the ICC statute, which will screen out frivolous complaints. The work of Justice Louise Arbour, the Chief Prosecutor for the Tribunals for the Former Yugoslavia and Rwanda, is a sterling example of the quality and independence we can expect in a permanent court. If anything, I believe that complaints initiated by an independent Prosecutor are much less likely to be politically motivated than those that might be raised by states.

In the second place, it is important to remember that the ICC would be an instance of last resort. It will only investigate complaints that a state either cannot, or will not, prosecute. Any state that diligently investigates and prosecutes those responsible for serious crimes will thereby ensure that the ICC will not take up those cases. The ICC's prime focus is likely to be cases where state authority has collapsed, so there is no other authority that can bring a case to justice, or instances where states themselves have committed these extremely serious crimes.

With a court of this sort — effective, independent and professional — I cannot imagine any situation under which American soldiers would find themselves dragged before the ICC on political charges of dubious value. What I can see is a court that would allow the United States to fulfil key aims, such as bringing Khmer Rouge leaders to trial for genocide. Until Pol Pot's recent death, the U.S. government had been in discussion with the Tribunals on Rwanda and Yugoslavia for lack of a better venue — a venue that a permanent ICC would provide.

I see a court that would allow us to address some of the most troubling human security issues the international community faces today, when those who torture, rape or murder civilians in times of conflict all too often go free. I see a court that would embody the high ideals of the Nuremburg trials — to ensure that genocide did not go unpunished — but would improve on their methods by providing a truly impartial international justice.

It is always tempting, when one is powerful, to resort to rule by power. It is greatly to the credit of the United States that

despite its immense power, it has chosen over the years to promote and to submit itself to the international rule of law. So it is with all the more distress that as close friends and allies, we see the United States diverging from this path to cede to domestic concerns that should not, and need not, pose insurmountable obstacles.

After all, U.S. citizens have a direct stake in ensuring that international law is respected. As your former Undersecretary of State David Newsom wrote recently in the *Christian Science Monitor*, "If the U.S. will not accept its obligations to the citizens of other lands, its own citizens will be less safe abroad."

Some will tell you that hard-nosed realism requires the United States to take a hard line stance on the ICC, on landmines, on UN reform and a host of other issues. Supporters of this "real politik" view pride themselves on their hard-headed approach. But, in fact, it is they who are refusing to recognize that international realities have changed. The true realists recognize that addressing non-traditional problems requires new approaches and new tools. They recognize that in UN reform and the broader human security agenda, zero-sum equations of hard power apply less and less. They recognize that it is time to work together to face the challenges and opportunities of a new era.

Soon after the UN was established, Lester Pearson [Canadian Prime Minister 1963-1968] noted that "there are no fireproof houses in the atomic age, or little countries far away, like Czechoslovakia in 1938, whose fate means nothing to us. No longer do we insist that we are the producers of security to be consumed by others, a feeling which is a basic source of isolationism."

The world has changed profoundly since he spoke those words, but the sentiment is one that we would do well to remember today.

Thank you.

Statement

98/31

STATEMENT BY CANADA
ON THE
MULTILATERAL AGREEMENT ON INVESTMENT [MAI]

ISSUED BY
THE HONOURABLE SERGIO MARCHI,
MINISTER FOR INTERNATIONAL TRADE,

OECD MINISTERIAL MEETING

PARIS, France
April 27, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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1. Canada: Trade and Investment

- Canada remains committed to the development of open and fair multilateral rules on investment to complement the beneficial rules we already enjoy on international trade of goods and services.

Today, trade and investment are key engines of economic growth. The contribution of investment to world prosperity in recent years is impressive. The past decade has seen global investment increase at an exponential rate, reaching \$3.2 trillion in 1996 – more than four times what it was in 1985. In fact, in recent years, investment flows have grown twice as fast as world merchandise trade.

While the link between trade, economic growth and jobs is well understood, the same is not true for the flip side of trade – investment. Foreign investment has played a central role in Canada's development as a nation and remains essential to securing Canada's continued development and prosperity. It has its foundation in our national experience and aspirations.

Foreign direct investment in Canada has almost doubled since 1986, reaching \$188 billion in 1997, and contributing significantly to job creation and greater prosperity. Foreign firms established in Canada employ 10 percent of the Canadian labour force. Moreover, of all new direct investment made annually in Canada, 10 percent is made by foreign-owned firms.

Outward Canadian investment is making an increasingly vital contribution to our economic prosperity. Since 1996, total Canadian investment abroad has exceeded foreign direct investment in Canada. In 1997, Canadian direct investment abroad totalled \$194 billion, a threefold increase since 1986. This increase in outward investment has included a new focus on emerging markets. Canadian firms are meeting the challenge of the global economy and enhancing their market access opportunities by building strategic alliances with global partners and by establishing an international presence. By investing abroad, Canadian companies become more competitive, access new technologies, and then create more jobs and R&D activities back home. Some of our companies (Bombardier, McCain, BCE) have become world leaders in their sectors. Moreover, our small and medium-sized enterprises (Husky Injection Molding Systems Ltd., Teknion Furniture Systems) are advancing their strategic market interests through investing abroad. The best way to help these companies thrive is to create a fair and stable international investment climate.

Canada lives by trade. We know firsthand the value of rules that ensure Canadians a fair basis for participating in an increasingly global marketplace of goods and ideas. That is why

Canada has always been at the forefront of the development of a world trading system based on rules rather than on power.

2. Bottom Lines not Arbitrary Deadlines

- In the ongoing negotiations towards a possible Multilateral Agreement on Investment [MAI], we should address the outstanding issues, not impose arbitrary deadlines. Canada strongly opposes any new deadlines. We must all take the time to negotiate rules that will serve our national values and interests. Clearly, Canada will only sign the right agreement at the right time – in other words, when Canadian interests are met.

Canada brings to the negotiating table valuable experience in terms of investment rules. Together with our partners, we have negotiated the North American Free Trade Agreement [NAFTA], an agreement recognized as incorporating the most comprehensive set of investment rules. We have also negotiated bilateral investment treaties with some 24 developing countries, enhancing our trade and investment partnerships and providing welcome assurances of fair treatment for Canadian investments abroad. Canada wants to secure the same quality of rights and obligations within a multilateral agreement.

We are all committed to ensuring that the MAI is developed on a solid framework of first principles – non-discrimination and protection – supported by an effective dispute-settlement mechanism. In addition, Canada believes that the extraterritoriality issue raised by the U.S. Helms-Burton and Iran-Libya sanction acts must be addressed in the context of the MAI negotiations.

The only satisfactory MAI for Canada is one that will serve Canada's interests and support Canadian values. Throughout the negotiations, we stated clearly our positions on key issues. Canada will only accept an MAI with the following elements:

- a) a narrow interpretation of "expropriation" that makes it entirely clear that legislative or regulatory action by government in the public interest is not expropriation requiring compensation, even if it has adverse profitability consequences for companies or investors;
- b) ironclad reservations that would fully preserve Canada's freedom of action, at both the federal and provincial levels, in key areas including health care, social programs, education, Aboriginal matters and programs for minority groups, and no standstill or rollback requirements in any of these areas. In other words, no restriction on our freedom to pass future laws in these areas, and no commitment to

gradually move our policies into conformity with MAI obligations;

- c) the continued ability of the Government to preserve and promote Canadian culture and Canadian cultural industries. Simply put, Canada's culture is not negotiable;
- d) the continued ability of Canada to maintain its current measures relating to areas such as transportation and financial services, business services industries, communications, the auto industry, land and real estate, energy, fisheries, investment review, privatization practices, government finance, agriculture, the supply management regime, and the management of natural resources.

For Canada, country-specific reservations are intrinsic to ensuring that our respective national interests are addressed within the text of the proposed MAI. The reservations would have equal legal status with the text of the Agreement and together would determine what each of us will obtain from our partners and what we will undertake in return.

No country is committed to any text at this stage, since nothing can be agreed upon until the entire Agreement is agreed upon. Canada, like other countries, retains the full right to add or amend reservations as the negotiations progress.

3. Engaging Civil Society

- Recognizing the legitimate concerns that have been raised throughout the community of the Organization for Economic Co-operation and Development [OECD] regarding the pace of globalization, it would be valuable to pause and reflect on the lessons learned from the last three years of MAI negotiations. The OECD member governments must continue to communicate and consult with all our citizens and put in place – directly and through the OECD Secretariat – a heightened and ongoing process of dialogue to respond to these concerns.

The challenge of negotiating trade and investment agreements for the global economy is matched by the need for transparency and engagement with civil society. In all our countries, there exists apprehension over the pace of economic change, the proliferation of the "bigger is best" competitors forged by international mergers and acquisitions, and the often baffling, diverse forces affecting our economies.

We, the OECD community – employing the full resources of the OECD Secretariat – must respond to these valid concerns with a full, sustained and open dialogue. By addressing them straight on and taking the time to do it right, we should be able to obtain the best rules possible. Setting arbitrary deadlines will accomplish nothing.

Again, the OECD community must better communicate the importance of investment for our economies. That is why the OECD's report on the benefits of trade and investment liberalization is such a positive initiative, and must be widely disseminated for public discussion. In addition, consultations with business and labour groups, and with diverse non-governmental organizations, must be a consistent part of the process. Transparency of our process and engagement of our citizens are essential to our success in developing a good set of investment rules for our countries.

In both the purpose and the process of negotiations we cannot lose sight of practical, day-to-day public concerns. Nor can we overlook the intrinsic partnerships of the marketplace. The OECD Guidelines for Multinational Enterprises helped define the responsibilities of corporations in the countries where they invest. We must go further. Both labour and environmental matters must be adequately addressed to prevent a race to the bottom. Protection of the sovereign right of governments to regulate in the best interests of their societies, whether or not such regulation affects the value of investment, must be secured.

Our efforts to ensure full national engagement in the development of new trade and investment rules, and to advance transparency of process, must be directed as well to emerging and developing economies. This is especially important for Canada as our export-oriented Canadian companies will increasingly need to be able to invest and expand with confidence if they are to continue to grow and create jobs back home. Canada has always supported the dialogue established with non-OECD countries within the context of the MAI negotiations. We have been strong advocates for the acceptance of developing countries as observers and full participants in the negotiations. For Canada, an MAI restricted to the 29 OECD countries is of limited value. We want truly multilateral rules on investment that would help expand the benefits of responsible foreign investment to all countries, including developing nations.

4. A Proper Home: The World Trade Organization [WTO]

- To be effective and beneficial, any eventual investment rules must be truly multilateral. Consequently, the MAI process at the OECD must remain open to non-OECD members, and, more importantly, the MAI's ultimate home should be the WTO.

This year marks the 50th anniversary of the General Agreement on Tariffs and Trade [GATT]. Fifty years ago, we embarked on an ambitious effort to construct a new international order, based on open markets for trade. Since then, we have witnessed an orderly expansion of the rules of fair and open trade to other countries, which has led to uninterrupted growth in exports. We have

benefited from the emergence of an international trading system marked by vastly improved access for goods and services in a truly global marketplace.

This is not abstract policy making; today, the 132 members of the WTO engage in a world market for goods, services and technology that sustains economic well-being and provides the means to realize our national ambitions. Some \$5.2 trillion in goods are now exchanged annually around the globe. Trade in services represents an increasingly dynamic component of national and global economic activity. In 1994, we succeeded in securing a comprehensive set of rules on trade in services in the WTO. The importance of investment to our national economic experience and aspirations is unique neither to Canada nor to OECD countries. Although OECD countries currently generate and receive the bulk of foreign direct investment, developing countries are increasingly realizing the benefits of foreign investment. A multilateral rules-based framework for investment must reflect the national values, interests and priorities of the broadest possible membership of nations.

We all agree that multilateral rules on investment are a natural and necessary complement to rules of trade in goods and trade in services. As was the case for these trade rules, getting the right rules for investment will take time and effort.

At the last WTO ministerial meeting in Singapore in 1996, Canada championed the formation of a WTO working group on trade and investment. Canada values the progress achieved to date in the working group, and remains committed to securing WTO engagement in multilateral investment negotiations.

Our negotiations at the OECD offer the prospect that we should advance this objective and create the basis for global rules. The MAI would be a first step, but our common objective must remain the development of open and fair global rules on investment. Canada believes that the WTO is the logical destination, and most effective home, for any MAI.

5. Conclusion

- Canada maintains its commitment to the pursuit of multilateral negotiations on investment, and to ensuring a transparent process. An agreement on investment would complement the rules we already have on trade in goods and services. These trade rules have created a stable international environment, where trade has been able to grow and contribute to our common prosperity. In seeking rules on investment, we need to address the concerns of our citizens. That is why Canada believes we must all take the time to

negotiate rules that will serve our national values and interests. Canada will only sign the right agreement at the right time. We believe that ultimately, such an agreement belongs in the WTO, where its benefits can be shared by the full family of nations.

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Statement

98/32

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS

BY THE

HONOURABLE LLOYD AXWORTHY

MINISTER OF FOREIGN AFFAIRS

BEFORE THE

HOUSE OF COMMONS

TAKE NOTE DEBATE

CANADIAN PARTICIPATION IN STABILIZATION FORCE (SFOR)

OTTAWA, Ontario
April 28, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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Last year, opposition and government members of the standing committees for Foreign Affairs and International Trade and for National Defence and Veterans Affairs visited Bosnia and Herzegovina. They returned convinced that the participation of Canadian forces in the NATO-led Stabilization Force [SFOR] there was necessary, valuable and must continue — a view that the government fully shares. At that time, they called for a debate in the full House on the possible continuation of the SFOR mission beyond its scheduled end in June 1998. It is in response to that call that we are meeting today.

I myself visited Bosnia last month to meet with Bosnian leaders, to visit Canadian Forces and to launch a Canadian Mine Action Program. Based on this visit, I can say that the progress in implementing the Dayton Accords since my first visit in April 1996 has been remarkable. There are signs of commerce reviving. There is no need to wear a helmet and a bullet-proof vest all the time. A new group of political leaders who are prepared to implement the peace plan in good faith seems to be emerging. In the Republika Srpska, ethnic Serb Prime Minister Milorad Dodik has formed the first government truly committed to the peace process and to multi-ethnic co-operation in post-conflict Bosnia, with support from Muslim coalition partners.

In the words of Carlos Westendorp, the UN [United Nations] High Representative for Bosnia, Bosnia has moved from the "critical list" to the "stable list." This is in large part thanks to the NATO-led multinational effort that stopped the fighting, replacing battlefields with ballot boxes and military destruction with economic reconstruction. But, at the same time, progress has been uneven and incremental. There have been occasional setbacks, such as the violence that erupted last week in Drvar, a town in the Canadian area of operations. In other words, the patient is still on life-support. In 1998, we must make Bosnia self-sustaining.

I would like to outline briefly for the House Canada's part in the progress made to date, what remains to be done, and why a continued SFOR presence is essential to attain those ends. My colleague the Minister of National Defence will then present to the House the specific nature of Canadian Forces participation in a continued NATO [North Atlantic Treaty Organization] presence in Bosnia.

Starting from the original UN deployments in the former Yugoslavia, and continuing under NATO auspices, Canadian Forces members have worked for peace in Bosnia with dedication and professionalism. RCMP [Royal Canadian Mounted Police] officers and Canadian civilians have also made significant contributions. This is an opportunity to pay tribute to all their efforts, and particularly to those who paid the heaviest price — the 13 Canadians killed and the many wounded in the performance of these duties.

Canadian and other troops under SFOR have ensured the personal security of the people of Bosnia-Herzegovina for nearly three years. This alone is an important accomplishment in a region scarred by ethnic cleansing and horrendous war crimes. But SFOR did more than that. Working side-by-side, troops of the 34 countries participating in the force were a living demonstration of freedom, tolerance and co-operation to the local population. Canadian Forces supported local rehabilitation and reconstruction projects with funds provided by CIDA [Canadian International Development Agency]. In this way local communities saw the benefits of peace and understood that the international community's aim is peace, not punishment.

Despite these efforts, it seemed initially as if we saw nothing but reports of squabbling Bosnian leaders, trickles of returning refugees, and indicted war criminals still at large. It is easy to understand why Canadians might have begun to wonder why we were in Bosnia at all. At last year's ministerial meetings on Bosnia, the international community, including Canada, expressed its renewed determination to force the pace of the peace process. The High Representative was given a clear mandate to take the necessary measures, SFOR provided meaningful, assertive support, and the logjam was broken.

In this new atmosphere, the High Representative has successfully imposed an interim citizenship law, an interim currency and a national flag, and pushed through key property legislation that will make it easier for refugees to return home. These are all important moves toward a genuinely united multi-ethnic state. Bosnia-Herzegovina has also signed and ratified the Ottawa Convention on Landmines, a sign of its desire to rid itself of this legacy of conflict.

SFOR has played a central role in the significant recent progress toward lasting peace. Despite some problems, the September 1997 municipal elections, organized by the OSCE [Organization for Security and Co-operation in Europe] with SFOR's logistical support, were relatively successful. Through SFOR, we have brought "special" police forces under control and made reform of the police in Bosnia possible.

The development of free and fair media that do not preach ethnic hatred produced a new atmosphere in which such developments were possible. This was an important factor in the emergence of the current moderate government in Republika Srpska. Without SFOR's determination and professionalism in seizing the TV transmitting facilities in Republika Srpska, reform of the media would not have happened.

SFOR has also played a key role on war crimes. It has provided security during the exhumation of mass graves and has directly detained suspected war criminals. Faced with increased prospects

of arrest by SFOR, 10 Bosnian Croats and three Bosnian Serbs recently surrendered to the International Criminal Tribunal for former Yugoslavia in The Hague, and were transferred there with SFOR's help.

Progress in Bosnia has provided significant benefits for the immediate region, for Europe, and for the world. SFOR has stood as a symbol of the international community's readiness to intervene and a force for stability during confrontations in other parts of the Balkans, notably in Kosovo. The active participation of Russia and Ukraine in SFOR has marked a watershed in the development of post-Cold War security in Europe. As a result of this experience, there are Russian generals at NATO headquarters, and there will soon be NATO senior officers at Russia's Ministry of Defence.

At a global level, a wide range of international actors have worked together in Bosnia in new ways to address all aspects of rebuilding a conflict-ravaged society. The lessons learned in Bosnia will serve the international community in good stead in the new and complex world that we face.

There has been significant progress, but much remains to be done. By extending the mandate of SFOR, we will provide continued support to the civil peace process, with a view to making that process self-sustaining.

Among the tasks ahead for the international force will be:

- ensuring the safe return of refugees and displaced persons in accordance with the Dayton Peace Plan, in concert with the UN and the International Police Task Force;
- supporting the decision of the international arbiter on Brčko, a strategically important town for both the Federation and the Republika Srpska, due to be issued early in 1999;
- providing security for a second set of general elections in September, as well as supporting implementation of last year's election results;
- maintaining the pressure on persons indicted for war crimes who have not yet surrendered; and
- for the Canadian contingent in SFOR, supporting the Canadian Mine Action Program.

As I announced last month, Canada will provide \$10 million over the next five years toward de-mining efforts in Bosnia, concentrating initially on the Canadian contingent's area of responsibility in northwestern Bosnia. Under this integrated program, Canadian forces will work with local populations and authorities as well as other governments and international bodies. Only with concentrated, co-ordinated efforts at de-mining

will economic development proceed unhindered and refugees return safely to their homes.

Perhaps most important of all, a continued SFOR presence will provide the overall security and stability necessary for various civilian projects aimed at rebuilding a functioning society and government. In the coming year and beyond, Canada will provide technical support to newly elected government representatives, and quality, unbiased programming to independent and state broadcasters in Bosnia. We will be working to empower civil society organizations and to promote basic human rights such as freedom of movement and property rights.

We will build on the important work by the RCMP, under the auspices of the UN International Police Task Force, to transform local police forces from instruments of intimidation into guarantors of public security. Canada will also do its utmost to ensure that the International Tribunal and its chief prosecutor, Canadian Justice Louise Arbour, have the resources necessary to do their job. The continued presence of SFOR will provide the basic conditions to make all these efforts possible.

My colleague, the Minister of National Defence, will provide a detailed vision of the extended SFOR mandate and Canada's contribution to it. I would like to touch on just one aspect of the extended mandate: its duration. NATO proposes to review the overall state of the peace process every six months, with a view to gradually reducing the size of the multinational force. The aim is to judge the process against a set of predetermined benchmarks for a self-sustaining peace, rather than set an arbitrary date that could become a target for further delaying tactics. Canada will take an active part in these reviews. And, as we have done at each stage, we will bring significant issues before the House for consideration.

Make no mistake: we do not want NATO and its partners, including our own forces, to stay in Bosnia one minute more than is needed. But today the government believes there is still a clear need for SFOR and for a Canadian contingent within it. Canada has invested enough in Bosnia to make us determined to see the task through. We do this with our ultimate aim always in mind: to create a self-sustaining peace process. The international community can offer advice, assistance and example, but peace can only be made among the people of Bosnia by the people of Bosnia.

Thank you.

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Statement

98/33

FIFTH MEETING OF THE NAFTA COMMISSION JOINT STATEMENT

PARIS, France
April 29, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



Today, the Commission reaffirmed its strong commitment to the NAFTA [North American Free Trade Agreement] and its value in promoting trade, investment, economic growth and, most importantly, jobs in the three countries. In this regard, we stressed the significant increase in trade and investment that has occurred. Since NAFTA's entry into force, trade within North America has grown by nearly 65 percent. In 1993, trilateral trade between Mexico, Canada and the United States was less than US\$300 billion. In 1997, trade between the NAFTA Parties reached almost US\$500 billion.

These figures constitute a clear indication of NAFTA's success in its first four years of implementation. This trend will continue as NAFTA implementation opens new opportunities for trade and investment, bringing more benefits to companies, workers and consumers in North America. We reaffirmed our commitment to further promote public understanding of the benefits of the Agreement and continuing dialogue with our private sectors on an ongoing basis. We also noted the value of continuing co-operation with our respective labour and environment ministries.

As evidence of the opportunities that NAFTA has promoted, and on the basis of the recommendation of our private sectors, we have agreed on a package covering hundreds of tariff lines that will be subject to accelerated tariff elimination, further opening opportunities to our private sectors and benefiting close to US\$1 billion in NAFTA trade. (An illustrative list of product categories is attached.) We acknowledged that the necessary modifications of our tariff schedules will be implemented by August 1, 1998, following the completion of domestic legal procedures in each country. We acknowledged that the tariff acceleration negotiations have brought about a very positive process of consultations and communication among the private sectors of the NAFTA countries. Governments will continue to encourage industry initiatives in this area in the future.

We acknowledged the progress achieved across the NAFTA work program, comprising the activities of more than 20 committees and working groups, and a wide range of additional subsidiary bodies. We expressed our determination to build on the success achieved thus far, and instructed officials to undertake an operational review of the work program and to report back to Ministers before the end of 1998 on the structure, mandates and priorities of these bodies. In this regard, we further agreed that our Deputy Ministers will meet twice a year on a regular basis to provide high-level, ongoing oversight of the NAFTA work program and that Canada would host the next meeting in the fall of 1998.

We discussed a range of trilateral trade issues. We also discussed our shared interests in broader multilateral and regional trade liberalization, and noted the value of enhanced co-operation among the NAFTA Parties in these wider initiatives. We acknowledged the central role of the WTO [World Trade Organization] as a cornerstone of the global, rules-based trading

system. We noted the importance of the WTO Ministerial Conference next month in building international understanding and support for further multilateral liberalization, and looked forward to the opportunity provided by the 50th anniversary of the GATT [General Agreement on Tariffs and Trade] to highlight the benefits of liberalized trade. We welcomed the continuing process of trade liberalization in the hemisphere, and in particular the successful launch of negotiations for the FTAA [Free Trade Area of the Americas] earlier this month in Santiago.

We agreed that Canada would host the next NAFTA Commission Meeting at the Ministerial level on the occasion of the fifth anniversary of the NAFTA in early 1999.

Attachment

Tariff Acceleration

Items to be accelerated in one or more of the NAFTA countries are included within the following product categories:

- Certain chemical products
- Certain antibiotics
- Certain pharmaceuticals
- Certain medicaments with antibiotics and insulin
- Herbicides
- Certain wool yarn
- Certain wool textiles
- Certain cotton yarn
- Woven cotton fabrics
- Certain synthetic fibres, yarns and woven fabrics
- Sanitary textile towels and diapers
- Wool felt
- Certain non-woven fabrics
- Cordage and ropes
- Certain woven pile fabrics
- Towels
- Certain angles of iron or steel
- Impregnated, coated or laminated fabrics
- Surgical drapes
- Hats
- Certain flat-rolled products of stainless steel
- Certain steel wire
- Bedspreads
- Certain watches
- Certain toys

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Statement

98/34

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI,
MINISTER FOR INTERNATIONAL TRADE,
TO
THE MONTREAL CHAMBER OF COMMERCE

MONTREAL, Quebec
May 6, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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I am delighted to be here in Montreal and to meet with your Chamber of Commerce, which has done so much over the years to contribute to the history and development of this great city.

As Minister for International Trade, it gives me great pleasure to come to Quebec where the support for freer trade, first with the United States and then with Mexico, through the NAFTA [North American Free Trade Agreement], has always been very high.

Today, public opinion tells us that enthusiasm for international trade continues, with close to 80 percent of the population of Quebec supportive of our membership in the NAFTA.

Many leading Quebec companies, such as Bombardier and SNC Lavalin, are very active internationally and have demonstrated the benefits of looking abroad for new opportunities.

But it's not just these big companies that are reaching out. It's companies like CINAR Films of Montreal, which signed a \$2.2 million contract in Mexico. It's Wulftec International of Sherbrooke, which sees tremendous opportunities for its pallet wrapping technology in South America. And it's Ezeflow of Granby, which exports 65 percent of its pipe fitting products.

But we also know that only about 10 percent of our small and medium-sized enterprises are exporting, and our challenge is to get more of them involved, more of them looking abroad, and more of them embracing the international opportunities available to them.

As you know, there are two complementary sides to international trade. One is trade policy – that's the nitty-gritty of negotiating the rules that will govern our trade with other countries and regions and globally – or, as I like to say, the unlocking and opening of doors to foreign markets.

The second is trade promotion – the active advancement of the goods and services our companies offer in those various markets – or helping our Canadian companies walk through those open doors.

Today, I would like to speak very briefly about both. First, trade promotion.

Trade promotion lies at the core of the Team Canada trade missions. That's what they're all about. They have encouraged hundreds of small and medium-sized companies that would never have tried these markets on their own. They have also involved more segments of society such as women, youth and Aboriginal entrepreneurs, and new sectors such as education marketing.

These missions have also facilitated the creation of alliances between Canadian companies large and small, which, by combining their strengths, have discovered that they can compete successfully in international markets.

The Team Canada concept has also enhanced federal-provincial partnership. In fact, one can argue that Team Canada missions are "the best 10 days of the year" in federal-provincial relations.

I don't know if that's true or not, but I can tell you that there was a tremendous spirit of camaraderie and of working together in a common effort last January in Latin America.

And I can also tell you that when foreign countries see the Prime Minister and Premiers working side by side with Canadian companies, that association confers on those companies a credibility and a standing that might have taken years to develop on their own. That point has been made to me many times by the businesses accompanying us.

The Team Canada missions have done something else as well, and that is to present the new face of Canada to the world. In country after country, city after city, we have been able to showcase our strengths in the new, high-tech, knowledge-based economy. We have been able to demonstrate our world-leading technology in areas like telecommunications, aerospace and the environment.

Nations that may have thought of us only as a resource-based economy, now have a different perspective. And by changing how they see us, we are also changing how they trade with us.

In short, Team Canada has been one of the most successful initiatives in the history of our trade promotion policies. And while it can always be improved and refined, the bottom line is that no other country is doing what we're doing, or doing it as well!

Why this emphasis on trade promotion? Because trade is vital to our national prosperity.

And Quebecers understand this as well as anyone. Between 1984 and 1996, the value of Quebec's exports more than doubled - from approximately \$17 billion to \$49 billion. Overall, Quebec exports 50 percent of its products to markets beyond its borders. And international trade accounts for 25 percent of Quebec's GDP [gross domestic product].

The bottom line is that increased trade and investment abroad means jobs and growth here at home. In fact, we estimate that for every one billion dollars of new exports, about 8000 jobs are created for Canadians.

But if trade is our lifeblood, access is its arteries. And if we are to continue to grow, to continue to provide jobs for the present and to expand our economy for the future, we must continue to knock down the barriers to freer trade around the world.

Because impressive as trade liberalization has been in recent years, there is still a long way to go. The world may indeed be a global village, but from a trade perspective, there are still neighbourhoods we cannot enter, streets we cannot travel, and stores where we cannot sell our goods.

That's why, as Minister for International Trade, cutting the red tape and removing the barriers are among my highest priorities. After all, it is a simple fact of the marketplace that we can't sell if we can't get in.

That's where our trade policy must work hard to pave the way for our trade promotion. And a few weeks ago, we released a new report, called "Opening Doors to the World: Canada's International Market Access Priorities, 1998." Copies of this report are available today, and I hope you'll take one home and read it.

The report looks back at the success we enjoyed in liberalizing trade last year – and ahead to what still needs to be done.

Last year, for example, we were one of 70 countries that successfully concluded negotiations on a financial services agreement at the WTO [World Trade Organization]. This agreement will give Canadian financial institutions better access to key markets in Europe, Asia and Latin America. This is a deal with unlimited market access opportunities, bringing trade worth trillions of dollars under the rules-based regime.

Last year, we also negotiated agreements on basic telecommunications services and on information technology, areas where Quebec companies are world leaders. These two agreements cover trade worth US\$1 trillion.

And just last week in Paris, the NAFTA Commission announced the acceleration of eliminating tariffs on a number of priority products for Canadian industry. This means even better access and even more opportunities for Canadian companies in the United States and Mexico.

Looking ahead, the "Opening Doors" report outlines our objectives at the WTO, the APEC [Asia-Pacific Economic Cooperation forum], the FTAA [Free Trade Area of the Americas], as well as with such key partners as the United States.

Next month, we will celebrate the 50th anniversary of the WTO and the Prime Minister and I will attend ceremonies in Geneva to mark this important milestone.

One of the most promising and exciting initiatives this year will be the start of negotiations on a Free Trade Areas of the Americas – a process Canada will chair for the first 18 months.

As part of our chairing of the negotiations, Canada will host the next Summit of the Americas, at the turn of the millennium.

The FTAA is a truly historic endeavour – to unite the western hemisphere in a single free trade area stretching from the Arctic Circle to Argentina. We are very excited about the prospects for Canadian businesses that such a market presents and by the opportunity to improve the lives of the people of this hemisphere.

The "Opening Doors" report also shows the direction our trade policy is taking and the priorities we attach to various markets. You will see that Canada has focussed on some of the fastest growing areas in the world: markets such as Latin America, Asia Pacific and Europe. We want to be where the action is, where great opportunities lie.

Not surprisingly, Canada has been at the forefront of trade liberalization around the world. Whether it was free trade agreements with Israel and Chile, complementing the WTO, or opening doors in China and Latin America through Team Canada missions, Canada has demonstrated its commitment to liberalizing trade around the globe.

What may be surprising is the influence Canada has in global trade liberalization, relative to our size as a middle power. As Minister for International Trade, I can tell you firsthand that every international meeting I attend, including the OECD [Organization for Economic Co-operation and Development], the NAFTA, and the Quadrilateral Ministerial meetings last week in Paris, Canada's voice is heard and listened to. We wield much more power in the world than our size would normally dictate.

As I said, Canada has been a strong supporter of the WTO because we believe that access to world markets depends upon a fair, rules-based and open international trading system. As a relatively small nation, heavily dependent upon trade, we understand the importance of effective trade rules ensuring that might does not equal right when it comes to trade disputes.

Certainly, we have benefited from a rules-based approach to trade and to trade disputes, through the FTA [Canada-U.S. Free Trade Agreement], and later through the NAFTA.

Canada's strategy with respect to trade is straightforward: open doors to new markets and then promote our businesses within those new markets.

And doors we have opened we will keep open by resolving problems with our trade partners and taking action as necessary to ensure they honour their commitments.

We will do all we can to help Canadian businesses to begin exporting or to expand their base into new markets. Our Trade Commissioners, in more than 100 offices around the world, will continue to help match Canadian firms with international opportunities. And here at home, the Department of Foreign Affairs and International Trade stands ready to provide one-stop shopping for Canadian businesses looking to expand into new markets.

Any of you who are thinking about exporting will find a vast amount of resources available to you. We're here to help and we want you to succeed.

I am proud of the "Opening Doors" report and of the progress it represents. But I am prouder still of the individual Canadians who are taking the risks, winning the contracts, and making their mark on the international marketplace.

Our long history as a trading nation — as one whose small population has required it to be a trading nation — means that we are ideally suited to benefit as the world moves progressively toward freer trade.

We have already established our ability to compete in the global economy. We have proven ourselves to be adept traders and, in the new global economy, this bodes very well for our future prosperity.

But there is nothing automatic, nothing inevitable about either Canada's continued success or the world's steady march toward liberalization. Freer trade may be an idea whose time has come, but it is not an idea whose success is assured.

We must remain vigilant and aggressive. We must continue to open doors and close loopholes. And we must continue to support those institutions that seek a rules-based system of trade.

Working in partnership with the provinces and the private sector, Canada has placed itself at the forefront of this push for freer trade around the world. We believe it is the wave of the future; that the benefits are too great, the advantages too large and the opportunities too immense to reverse course and retreat into protectionism or isolation.

No one understands these international imperatives better than Quebeckers. No one understands the benefits of membership in the NAFTA or the FTAA better than Quebeckers.

In Canada's efforts to liberalize trade, Quebec must continue to make its invaluable contribution. Quebec must continue to be a leader within Canada of promoting the benefits freer trade can bring.

And within Quebec, Montreal — which has always been among Canada's most cosmopolitan and international cities — must continue to look outward and champion the opportunities that lie beyond our borders.

In that effort, the support of this Chamber will be essential. And I look forward to working with you as we move forward with the confidence that is born of success and the skill that is born of experience.

So let us all continue to work together, to plan together, to build together, to grow together, knowing that united there is little we cannot do.

Thank you.

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Statement

98/35

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI,
MINISTER FOR INTERNATIONAL TRADE,
TO
THE ITALIAN CHAMBER OF COMMERCE IN CANADA



MONTREAL, Quebec
May 6, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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And thanks to all of you for inviting me here today. Montréal is one of the few places outside of Italy that you can still get decent risotto, so I am always pleased to come to Montréal!

I am particularly happy to be with you on the eve of our visit to Italy. As you know, later this month, the Prime Minister and I, along with Alfonso Gagliano and other parliamentarians of Italian descent, and a substantial business delegation, will be leaving for Rome and Milan, with stops in Turin and the Friuli region.

When we decided to invite Canadian parliamentarians of Italian heritage on this trade mission, I never knew there were so many of us in the Canadian Parliament! If we were to take everyone who claims to have ties with Italy, we would have to shut Parliament down! Actually, people have suggested that's not such a bad idea!

But there is great enthusiasm for this trip – one of the largest political/trade missions ever organized to a European country. I'm not sure if we were just waiting until we got a Minister for International Trade of Italian descent before we organized this trip, but we've got one now and I appreciate the wait.

Canada's ties with Italy are both historical and deep. Last year, we celebrated the 500th anniversary of Giovanni Caboto's landing in Newfoundland. And throughout our history, Italian immigrants, turned Canadian residents and citizens, have helped to build Canada into one of the most prosperous countries in the world.

And for those of us who trace our roots back to Italia, our loyalty is not so much divided as it is shared: with Canada, which claims our gratitude and our love, and with Italy, to which we are joined by the older bonds of blood and heritage. It is the best of both worlds – old and new – and we value the rich inheritance we have received.

And just as our ancestors reached across the Atlantic for new opportunities, so today, we must extend ourselves to embrace the possibilities that await us. Not to uproot, as they did, but to invest. Not to begin new lives, but to explore new opportunities. Not to leave as emigrants, but to trade as partners.

Of course, Italy and Canada are united as much by present realities as by past experiences. We share many international responsibilities, we are close allies in efforts to reinvigorate the United Nations, and we are each members of larger trading blocs – Canada in the North American Free Trade Agreement [NAFTA] and Italy in the European Union.

And just as our past has been built on common roots and our present by common interests, so too must our future be built on common efforts. Whether that future will be prosperous or not will depend, to a great extent, on our capacity to generate trade and investment ties with one another and with the world.

Because in the years ahead, the wealth of a nation will not depend upon the size of its armies or the resources within its borders, but by its ability to embrace opportunities beyond those borders through the resourcefulness of its people.

Italy and Canada understand that. We understand that in a world where barriers are falling down and opportunities are opening up, we must seize the initiative or risk losing markets to other nations, better prepared for the challenges of the new economy.

Here in Canada, our emphasis on trade is neither recent nor accidental. With a relatively small domestic market, we have to look abroad to sell the products and services we offer. Today, more than 40 percent of our GDP [gross domestic product] is generated by trade. And one out of every three jobs in Canada is dependent upon trade. One in three jobs!

Among the trading nations of the world, we have proven ourselves to be among the very best, with a record high of \$301 billion in exports last year. And, as a lower cost alternative to the United States, we are a natural entry point for European nations wanting access to the vast markets of North America, including Mexico.

Italy, too, understands the imperative of embracing globalization. And if there is one nation that is poised to become the pre-eminent transatlantic trading nation, it is Italy. Strategically located, with world class products in machine tools, industrial machinery robotics, processed foods and clothes, Italy has much of what North America wants.

Canada and Italy also have much to offer one another. And so we go to Italy to reaffirm the importance ~~we attach to our~~ relationship and to seek ways to expand it. To the already strong ties of friendship, we want to forge the new bonds of commerce.

Despite our long and close relationship, we have not yet truly forged those bonds. Perhaps it is because we each retain an outdated view of one another. Do most Canadians know, for example, that Italy is the fifth-largest economy in the world?

Do most Italians still think of Canada as a resource-based economy? Do they know of our world leadership in high technology? Do they realize, for example, that Bombardier of Montréal is the third largest aircraft manufacturer in the world? Or that the largest manufacturer of telecommunications equipment in the world is Nortel?

Do Italians see Canada as the frozen North – or as a gateway to the vast North American marketplace?

Both sides have to work hard to overcome impressions formed in an earlier day that no longer reflect the realities of a new day.

To be sure, trade between our two countries is already substantial: In 1995, it totalled more than \$5 billion. But we could be doing more, much more, and that is why this trip is so important.

How much more? Well I think we should set ourselves the goal of increasing trade between us to the point where Italy trades as much proportionately with Canada as it does with the United States. This means we will have to double trade between us – an ambitious but achievable goal.

How can we do this? I don't think there's any better way than through people-to-people contacts – getting Canadian and Italian entrepreneurs to learn more about each other, to talk to each other more and explore avenues for co-operation and mutual benefit.

For our part, Canada is pushing hard to promote such contacts. The mission next month will involve approximately 70 Canadian companies and is the second such mission involving a Canadian trade minister in the space of a year. It will focus primarily on four key sectors: aerospace, telecommunications and information technology, agri-food and services such as tourism, cultural services, financial and medical services.

These business missions are important, but they are not enough. We have to broaden our approach and engage the most dynamic component of our respective economies – our small and medium-sized enterprises [SMEs].

Italy's small and medium-sized enterprises are known worldwide for their key place in the Italian economy. They are flexible, move fast to exploit new market opportunities and many are concentrated geographically according to industry so that they support each other through innovation and information. It is a model from which other countries can learn a great deal. And these small and medium-sized companies account for 40 percent of Italy's exports.

Canadian SMEs are also a very key component of the Canadian economy. They create most of the new jobs and are fastest to move into evolving market niches for products and services.

But only 10 percent of them are exporting.

Our challenge is to increase that number and to change our trade culture to the point where Canadian businesses, large and small, seize the opportunities that await them abroad.

I firmly believe that these small, nimble, and innovative companies are also ideally poised to become Canada's export champions. With the right support, the world can be their oyster.

That's why we have created a division in Department of Foreign Affairs and International Trade dedicated to helping SMEs. That's also why there are many representatives of Canadian SMEs on this mission. By bringing Canadian and Italian SMEs together, we can reach our goals for enhanced trade between us, while creating jobs and growth in both countries.

We will also enable these companies to explore the opportunities for strategic alliances in third country markets. By pooling our talents, we can do far more together than we could ever dream of doing on our own.

In this effort, Canada has a key and additional competitive advantage and it's sitting in this room. Canadians of Italian descent – and there are one and a half million of us in Canada – constitute a natural bridge between our two countries.

We offer a wealth of information and a feel for the Canadian market that we can share with potential partners in Italy. Doors that might otherwise be closed, can be opened by people who speak a common language and are steeped in a common culture.

It's a perfect match and we have to work hard to capitalize on this outstanding aspect of the Italy-Canada relationship – this real sense of family.

A better appreciation for what we have to offer one another, a greater involvement of our SMEs, ~~the natural connections of~~ family and heritage, all of these elements are crucial components to enhancing trade between Italy and Canada.

You know, we hear a lot about the contribution of immigrants to Canada. For some, that is something to read about in textbooks or see in movies. But for many of us, that history is recorded in our family scrapbooks, in our photo albums, in our life experiences.

Our parents or grandparents arrived here with little more than what they could carry. And you and I are proud inheritors of their legacy. We meet in relative prosperity because many of them struggled through abject poverty. Can we do any less for our children and grandchildren? Can we, who started with so much, do less than those who started with so little?

Of course not. And that's why we need to open up new markets around the globe. That's why we need to expand trade with old friends like Italy. And that's why we need to embrace the opportunities of freer trade.

The Italian contribution to Montréal has been, as it has been to the rest of Canada, an insistence on excellence and a willingness to work for it. It has been about doing the best with the opportunities we were given and working hard to create new opportunities – better opportunities – for our children.

Today, we are again called to build for the future. To look across the ocean and seize the opportunities. To write a new chapter in the history of Canada-Italy relations.

And so, today, let us emulate that great spirit of adventure embodied by Giovanni Caboto. Let us look beyond our frontiers. And let us build for our children, as our parents built for us.

Thank you.

Statement

98/36

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI,
MINISTER FOR INTERNATIONAL TRADE,
TO A ROUNDTABLE ON
MARKETING CANADIAN EDUCATION ABROAD

TORONTO, Ontario
May 8, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



If I may, with my co-host Dr. Marsden's permission, I would also like to welcome you to York University — my alma mater. Just to put things into perspective, I graduated from York in 1979 — the same year that most of this year's undergraduates were born!

So you'll understand that this "homecoming" is a time of mixed emotions for me!

Today, we are very pleased to have la crème de la crème of Canada's educational community. We are honoured that all of you have agreed to participate in this roundtable.

There are representatives from the private and public sectors, from the provinces, from colleges and universities, students, teachers, and relevant federal departments involved in the international education marketing process. We come from many perspectives, but we share a common purpose: to do a better job of marketing Canadian education to the world.

My perspective, of course, is that of international trade. As Trade Minister, I have seen how highly regarded Canadian graduates and Canadian schools are around the world. It's no accident that every year the Microsofts of this world come north to recruit from our colleges and universities: they know that our educational system is among the best in the world.

And around the globe, we find an impressive array of public and private sector leaders who have been shaped by their educational experience here in Canada.

This provides us with a wonderful opportunity to project Canadian values onto the world stage, to influence future leaders and even future events.

The internationalization of our campuses will open new horizons to Canadian students, and better equip them to meet the challenges, and grasp the opportunities, of globalization. There are good public policy reasons for opening our doors to more international students, and there are good business reasons for doing so as well.

Today, we also understand that our education system is an economically valuable resource, that it is an export commodity, and we've got to start thinking about it, and marketing it, in that way.

You all know the numbers: in 1994-95, international students contributed \$2.3 billion to our economy. That's the equivalent of 21 000 jobs!

That's why education has become such a big part of our Team Canada trade missions. In fact, on our latest mission to Latin America, education was the third-largest sector represented, with 56 participants, including seven university presidents. And on my

recent trade mission to China, I met with the presidents of the 22 Canadian university alumni associations that are active in Hong Kong.

As more and more of the world becomes interested in education – and sees its indispensable value in a knowledge-based economy – Canada stands to benefit by meeting the need for high-skill training.

And I hardly need to remind this audience that at a time of declining domestic enrolment and shrinking university budgets, new sources of revenue must be found.

Last year, there were about 95 000 international students studying in Canada – a number we can and must increase in the years to come. How we do that – and do it effectively – is part of what today's roundtable is all about.

Each of you is here because of your expertise. And I want to make it clear at the outset, that I have not come with a plan in my back pocket. You've seen our proposed strategy for the international marketing of education, and many of you have provided feedback. But they are only proposals – we are open to any new ideas, or to improvements to ones we've already put forward.

What I do bring today is a firm commitment to this file. I have asked my department to make it one of the key priorities that I've set for the coming years. And I want to do everything I can to facilitate the marketing of Canadian educational services around the globe, and to remove the impediments that hamper your efforts.

I am also here representing a government that has made a strong commitment to education.

In our last budget – a breakthrough budget for education – our government demonstrated very clearly where we thought the first benefits of the fiscal dividend should go: and that is to students.

Through the Canadian Opportunities Strategy, we committed \$2.5 billion to a Millennium Scholarship Fund, which will benefit 100 000 full- and part-time students every year, for 10 years.

The budget also proposed significant measures to help students manage their debt burden, and to make education more accessible.

These initiatives, as well as other elements of the Canadian Opportunities Strategy, represent an important investment in our young people – and in our future.

The draft strategy that we have circulated raises a number of important issues, but let me just focus on five that I believe are key.

First, we must work on speeding up the process for issuing student visas and for processing applications to our academic institutions. We don't want to lose students, whose first educational choice is Canada, to other countries that have provided them with a faster and secure response. Red tape will be a red flag to these students, and we need to cut through it. This applies to both government and academic institutions.

Second, we have to address the whole area of quality assurance. We need to have the means of ensuring that anyone flying our flag over their classroom meets our standards. No self-respecting franchise company would allow someone to use a name and goodwill built up over many years without having a means of ensuring adherence to certain standards. And neither should we.

Third, and related to quality, is the need for a solid statistical basis for gathering and evaluating information about the job our partners are doing. Without such a reliable set of data, it will be impossible to do an effective cost-benefit analysis, or to establish trend lines in various regions.

Fourth, there is the issue of mutual recognition – of credits and qualifications, diplomas and degrees. This involves both creating appropriate criteria for evaluating institutions and doing a better job of advertising our own schools abroad.

Fifth, we need to bring the principles and approaches of Team Canada to bear on promoting educational opportunities to the world. Let's find exciting, creative and effective ways of doing this by breaking down the walls that divide us and building bridges to unite us. In other words, how can we pool our resources to support such a campaign? I would be very interested in your ideas on that point.

We also know that many Canadian institutions of higher learning are attracting fewer international students than they could be, because they are not as well known as they should be. We need to work on making them better known around the world.

These five issues – visas, quality assurance, a solid statistical foundation for analysis and mutual recognition and uniting our efforts in a common cause – are not exhaustive, but I think they are among the most urgent, and I would welcome your ideas on how we can do them better.

I would also invite you to consider two other questions: First, are we going to have one delivery mechanism, like the Canadian

Education Centre Network in Asia and Latin America, or are we going to have two – or more?

Second, where should new education centres be located? What are the geographic areas of most promise? And what kinds of service should they offer in specialized new markets?

Before I close, let me make some proposals for your consideration.

As you saw in our draft strategy paper, one of the things under consideration is an Education Marketing Advisory Board, which would provide advice to the Minister on how my department – and other relevant departments – could be of the most help to the education community in your marketing efforts abroad.

I think this idea has real merit, but I would like your thoughts.

The strategy also proposes to create a dedicated and identifiable international education marketing unit in my department, in order to provide one-stop shopping for those of you seeking to sell your products and services around the globe. This unit could work toward setting up new education marketing centres beyond the existing centres in Asia-Pacific and Latin America. This unit will report to the Minister for International Trade through the Chief Trade Commissioner.

While we have made a good start, I cannot help but feel that there is more that we could be doing in the area of marketing and providing information. Funds are limited, in both government and institutions, but by working together, we can help make "Brand Canada" better known. I would be interested in your ideas about how we could work together to enhance our collective marketing efforts.

You know, as Trade Minister, one thing has become very clear to me and that is that we are part of a world market very different from anything that has gone before. It is a marketplace unencumbered by distance, unrestricted by technology and unmindful of country of origin. Those industries that understand and embrace these new realities will reap the benefits.

The global village envisioned by Marshall McLuhan is here. The Internet has become our town square, where information is exchanged and ideas debated. Our village boasts a marketplace to which all of us can bring our wares and offer our services. And in this village, Canada must be the classroom.

I look forward to your thoughts on how we can make that happen. Thank you for your participation today, and for your commitment to this exciting opportunity.

Statement

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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS

BY THE HONOURABLE SERGIO MARCHI

MINISTER FOR INTERNATIONAL TRADE

TO THE UDINE CHAMBER OF COMMERCE DINNER

UDINE, Italy
May 15, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



As Canada's Trade Minister, I don't usually have a problem choosing the topic for a speech for my trips abroad.

I speak about Canada as a great place to do business, about our respective challenges in a world of change, and about the opportunities for doing more business together.

But I am on different ground this evening. Tonight I am in Friuli. And while I am a Canadian, the blood in my veins is part Friulano. So I can't help but address you this evening as a native son.

Canada is the greatest immigrant society in the world, with 18 percent of Canadians born somewhere else. It is our great strength, this vast inclusive society of different peoples, from all corners of the globe.

But Canadians never forget where they came from.

Forty and fifty years ago, Friulani left Italy to make new lives in Toronto or Montréal. They looked across the sea to a new land for their children's sake and for themselves.

For Friuli, this was a loss. For Canada, it was a valuable addition.

Today there are 100 000 Friulani in Toronto alone. The ones who went when they were infants, or like me were born after their parents left in search of a job, are now at the very centre of Canadian life. Those kids may be bankers, lawyers, professors, industrialists – and yes, even politicians. But they still think and feel like Friulani.

And when they marry a French-Irish Canadian as I did, or – their parents say "God forbid" – a Calabrese, it just increases the numbers of Friulani *nel mondo*.

In being here tonight I honour my parents, my family and all those with ancestors from this land who, like me, come back to say, "Thank you."

Your prosperity today is plain to see. You are part of a region that has achieved a standard of living that is the highest in Europe. But the environment is changing. Undoubtedly, the greater European economic integration that will come with monetary union will create new competitive pressures. So does globalization.

The fact is that trade in Europe, and world trade, are both expanding dramatically.

This is good news – export-oriented industries create jobs. But success will only go to the economies that are the most agile, are the fastest to adapt and have the least cumbersome structural baggage.

Friuli is already well positioned in one essential respect. Your small-enterprise sector, working in clusters or networks with others, is a model of efficiency and mobility. Its adaptation to knowledge-based industries – a key growth sector for both Italy and Canada – should be relatively direct. But in general, Italy lags behind in Internet use, and more emphasis is needed on developing computer skills and expanding access to informatics systems.

If upgrading the quality of the labour force is the first requirement for confronting the challenges of a changing world economy, the second is recognizing that producers have to be present in the marketplace.

The old way of relying on straight exports to keep your place in the market is no longer good enough. Technology is now too advanced to deal with a market from afar.

An economy geared to small-enterprise production, such as Italy's, is mobile enough to re-gear itself to new products with the speed globalization requires, but is disadvantaged because the small companies cannot actually be present in key markets. Only partnerships will provide the necessary presence in global markets.

That's why my remarks at the opening of this speech about the human connections we have to Friuli are of practical, as well as sentimental, consequence. Let me tell you how.

The biggest market in the world for Europe is North America. The NAFTA [North American Free Trade Agreement] is a combined market of close to 400 million consumers with a combined GDP [gross domestic product] of around \$11 trillion.

The biggest trade relationship between any two countries in the world is between the United States and Canada: over \$1 billion of goods every day. Since January 1, 1998, all Canadian exports to the United States enter duty free.

What's the point? There are three.

- Globalization requires that companies set up facilities in key foreign markets, or establish partnerships, in order to gain markets and keep them.
- Europe's biggest market is North America.
- The best way to get access to North America is through Canada.

Why? Because costs in almost all aspects of doing business are lower in Canada than in the United States, or for that matter than in Europe.

If you're looking for partners for the North American market, why not look first to the daughters and sons of those people who went out from here 40 years ago, who are now young entrepreneurs with degrees in business and banking?

Canadians and Italians are comfortable with each other. But do they really know each other?

In fact, they don't. We both have outdated notions of one another. For example, how many Canadians know that Italy is the world's fifth-largest economy? How many Italians recognize Canada as the seventh-largest?

Do Italians realize that the world's third-largest aircraft manufacturer is Bombardier? Or that the world's fourth-largest telecommunications producer is Nortel – both Canadian companies?

For Canadians, we must recognize Italy's efforts to deregulate, to privatize and to get its fiscal house in order.

For Italians, it is important to understand the "fiscal miracle" that has enabled Canada to deliver our first balanced budget in 30 years – and the only balanced budget of any G-7 nation.

It means learning that economic growth in Canada is the highest in the OECD [Organization for Economic Co-operation and Development] and that we have achieved that growth with virtually no inflation.

Next week, the Prime Minister of Canada, Jean Chrétien, will be coming to Italy for a six-day visit. But this is not just another visit by another head of government. Its character reflects the family connection involved, because accompanying the PM will be 15 members of our Parliament who are themselves of Italian origin and who will fan out across Italy to the towns where they or their parents were born.

There will also be some 70 business leaders chosen from key sectors such as aerospace, telecommunications and information technology, and also from smaller businesses, looking specifically to forge partnerships and alliances in Italy.

Part of this trip is meant to update our understanding of one another and to intensify our economic relations. But there is another purpose, and that is to strengthen the Atlantic vocation of our two countries.

While Canada has certainly devoted great effort to expanding trade with the United States, Asia and Latin America, Europe has been and will remain a very important partner for Canada – politically, culturally and economically.

There is a danger, friends, that with the end of the Cold War, people could think that the two sides of the Atlantic now need each other less. We can get so captured by events in our respective continents and regions that we lose sight of our larger transatlantic community, and particularly of its economic opportunities.

This is why Canada has been actively in favour of liberalizing trade between NAFTA and the EU [European Union]. That idea has recently caught on, with the EU proposing greater transatlantic links.

These links make sense. Economic sense. Security sense. And because they're right for our common family.

I close tonight with a challenge to you. The Friuli that our parents left is now flourishing. The second and third generation of Friulani-Canadians, and Italian-Canadians in general, are now an important presence in Canada. Given the extraordinary human bonds between the places, can we build up the economic bridges to match our human connections?

As you know, Friulani arrived in Canada with little more than what they could carry. Italian-Canadians today are proud inheritors of their legacy. Today we live in relative prosperity because many of them struggled through abject poverty.

Can we do any less for our children and grandchildren? Can we, who started with so much, do less than those who started with so little?

Of course not. And that's why we need to expand trade with old friends like Italy. Our people-to-people ties are assets we must use and they are legacies we must honour. So let us build for our children, as our parents built for us.

Thank you.

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Statement

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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS
BY THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
ON THE OCCASION OF
THE WTO MINISTERIAL MEETING

"STATEMENT BY CANADA ON CANADA
AND THE WORLD TRADE ORGANIZATION"

GENEVA, Switzerland
May 18, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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CANADA AND THE WORLD TRADE ORGANIZATION

I. THE IMPORTANCE OF TRADE AND INVESTMENT TO CANADA

Canada's economic prosperity depends heavily on an active and outward-looking trade strategy

Canada is the most trade-dependent major economy in the world. Forty percent of Canada's GDP [gross domestic product] depends on trade. One job in three in the Canadian economy is directly tied to our exports. International trade fuels our economic prosperity. Between 1992 and 1996, Canadian exports grew roughly four times as fast as our GDP. In good measure because of our strong trade performance in this period, the Canadian economy created almost 1 million new jobs as our total labour force grew from 14.5 million to 15.4 million Canadians.

Foreign investment also plays a key role in Canada. Every \$1 billion in foreign direct investment creates some 45 000 jobs, so the total of \$188 billion that foreigners have invested in Canada means a brighter future for all Canadians. Similarly, the profits, technologies and jobs that come to Canada from our investments abroad, which totalled \$194 billion in 1997, underline the importance of developing rules that promote and protect foreign investments.

It is no wonder that, from the beginning, Canada has put the highest priority on an international economic and trade system that is based not on power but on the rule of law set out in a network of rights and obligations.

II. TRADE, INVESTMENT AND THE MULTILATERAL SYSTEM

The network of rights and obligations that form the multilateral trading system has brought unprecedented global prosperity through liberalized trade and investment.

Canada was active in the negotiations that led to the founding of the General Agreement on Tariffs and Trade [GATT]; Canada was one of the founding members of the GATT; a Canadian, Dana Wilgress, served as the first Chair of the Contracting Parties in 1948, and another Canadian, Jake Warren, was the first Chair of the GATT Council, in 1960. This engagement in, and commitment to, the multilateral trading system has never wavered, and the reasons are clear.

Global trade in goods now totals a staggering \$5.2 trillion per year. In the period from 1950 to 1994, world merchandise trade grew by more than 6 percent a year, while the annual growth in world output was less than 4 percent. Over the years, national economies have become much more dependent on international trade. When the GATT was negotiated, not more than 7 percent of global

economic activity was based on trade. Today, that figure averages 22 percent and is higher for a number of countries.

This tripling of the role of trade illustrates two facts: nations are becoming more interdependent in their economic relations, and our work is not finished. There is still room for growth.

The GATT and the World Trade Organization [WTO] provide an invaluable network of rules in key areas such as trade in goods, services, agriculture, intellectual property, government procurement and (most recently) telecommunications and financial services. The prosperity that this has brought to our peoples underpins our economic development and makes a substantial contribution to global peace and security. This is one of the major achievements we are celebrating this week on the occasion of the 50th anniversary of the GATT. The global community needs to appreciate and hear more about this unique contribution made by the GATT and the multilateral trading system. Canada firmly believes that this network of transparent, predictable and enforceable rules should continue to be expanded for the mutual benefit of all WTO member countries.

III. REGIONALISM AND MULTILATERALISM: COMPLEMENTARY, NOT COMPETING

Regional and bilateral free trade arrangements strengthen the multilateral system by demonstrating new avenues for liberalization and by defining for our citizens the role, purpose and benefits of the WTO.

Canada has built on the lessons of the multilateral trading system in developing bilateral and regional trade agreements.

The Canada-U.S. Free Trade Agreement [FTA] and the North American Free Trade Agreement [NAFTA] have shown how trade liberalization can stimulate economic growth and create employment. Since the FTA came into effect 10 years ago, trade between Canada and the United States has more than doubled to over \$1 billion every single day.

Canada will actively participate on the full range of issues within the WTO, but we are not standing still on other fronts. We have negotiated free trade agreements with Israel and Chile. We are an active member of APEC [the Asia-Pacific Economic Cooperation forum], the premier trade and economic co-operation forum in the Asia Pacific region. Prime Minister Chrétien and 33 other leaders from the hemisphere have formally launched negotiations for a Free Trade Area of the Americas (FTAA), due to come into effect in 2005. Canada has the honour of chairing the Trade Negotiating Committee for the next 18 months and hosting the next meeting of FTAA Trade Ministers in Canada in 1999, as well as the next Leaders' Summit. Canada is engaged in

exploratory discussions on the scope of a possible free trade agreement with EFTA [the European Free Trade Association]. We continue to explore all options to enhance transatlantic trade liberalization with the European Union.

Canada is certainly not alone in this expansion and exploration of new trade arrangements. Only a handful of countries in the world now do not have some sort of preferential trading arrangement as part of their overall trade structure. An important challenge for the WTO is to consider how to integrate these regional processes into global rules for the benefit of all members.

The Canadian experience is that bilateral and regional trade agreements, properly constructed with due respect to WTO obligations, can complement and assist the WTO. They challenge the multilateral system by demonstrating new avenues and new ambitions for the liberalization of trade and investment. Countries can sometimes achieve in a smaller grouping what they are not ready to negotiate multilaterally, but having done so, they set new standards for the multilateral system.

The impact of bilateral and regional agreements can be more immediate and more measurable than is the effect of broad multilateral rules. When the impact is as positive as it has been for the Canada-U.S. FTA and the NAFTA, there is a clear demonstration effect of the role of trade in economic well-being, and hence a base on which to build broader support for general trade liberalization.

IV. THE WTO: ENGAGEMENT AND TRANSPARENCY

The WTO is addressing a new and more challenging trade agenda that demands much greater engagement and communication at national levels, and new levels of transparency internationally.

In 1948, the GATT was launched with 19 founding members. Now the multilateral trading system is a global undertaking of 132 countries, with about 30 countries at various stages of negotiating accession to the WTO.

The trade policy agenda has not stood still. The new agenda goes beyond traditional border measures, tariffs and quotas. It presents considerable challenges, not the least in the need for greater transparency in shaping and conducting negotiations, and in the day-to-day work of the WTO.

The most recent meeting of Quadrilateral Ministers encouraged the Director General to explore means within the WTO to enhance consultations with representatives of civil society. For this to be successful, Members must be open to exploring new avenues. One

possibility worth considering might be in the FTAA negotiations, where a committee has been struck to receive inputs and present a range of views to Ministers from business and other sectors of civil society, such as labour, environmental and academic groups working with government representatives. If we can be ambitious and innovative in one forum, why not in others?

The WTO has some distance to go in promoting greater transparency and ridding itself of the image of a closed and secretive shop. Given the importance of international trade to global prosperity and the key role played by multilateral rules in governing trade, the need for transparency at the WTO is all the more acute. Members should be able to agree quickly on a number of measures that would show our commitment and willingness to open the process. We could, for instance, undertake to circulate more documents as unrestricted; we could release a public version of panel submissions for inclusion on the WTO Web site at the appropriate time; we could issue proposed agendas for meetings as public documents; and we should be able to agree on a faster derestriction of the minutes of meetings – namely, after one month instead of six.

The whole area of dispute settlement is one that needs reconsideration in terms of increased transparency. We should agree that this will be a key element in review of the dispute settlement understanding, to be carried out later this year.

Improved transparency and openness at the international level must be matched by domestic engagement and communication. There is some apprehension globally about the pace of economic change, a sense of powerlessness in the face of global movements and corporate amalgamations, and a questioning of the value of trade liberalization, particularly its effects on the environment and wider social issues.

In light of these concerns, governments must engage in open and well-informed public debates on trade and investment liberalization. They must define the positives, for which good starting points are the OECD [Organization for Economic Co-operation and Development] Study on the Benefits of Trade and Investment Liberalization, and the WTO Annual Report. They must also ensure that the gains from liberalization are as widely shared as possible, and that policies are in place to help those most affected by adjustment.

V. DEFINING THE WAY AHEAD

There is considerable work under way now in the WTO, preparing for mandated negotiations and building on decisions taken at the Singapore Ministerial meeting. The new challenge is to review these and other possibilities for liberalization in close consultation with domestic interests, in order to develop options and recommendations for the 1999 Ministerial meeting.

The core of current work in the WTO is completing the built-in agenda that we agreed to in Marrakech, and continuing to develop the work program agreed to in Singapore. Canada remains firmly committed to the view that full implementation of the Uruguay Round agreements is key to the way forward. But just as the modern world of commerce does not stand still, neither does the work of the WTO itself.

What shape will future work take? Clearly, the world is moving in the direction of continued trade liberalization. However, many questions remain as to how we might best balance different ideas on the scope, timing and shape of future negotiations to take into account individual countries' concerns and aspirations.

Some have called for the launch of a comprehensive new round of multilateral negotiations, covering a full array of new issues and unfinished business from previous talks. Others wish to tackle sectors on an individual, case-by-case basis.

Between these two extremes, Canada believes that consideration should be given to a cluster approach that would group issues together for negotiation as distinct packages and at different times. This would offer a balance of incentives to encourage different countries to move forward, while providing an early harvest in some sectors and avoiding the intimidation of a full-blown round that would likely take years to negotiate. Talks would not be held hostage to the most difficult and therefore slowest issue of negotiation. Countries would also have time to consolidate gains from previous negotiations.

In addition, questions have been raised regarding the substance of potential future negotiations. We will need to address these issues through extensive consultations at two equally important levels: internationally, between WTO members; and domestically, between individual governments and their publics. These questions include the following:

- How can we ensure that WTO disciplines are conducive to strengthening electronic commerce? This fall in Ottawa, Canada will host a major international conference at the ministerial level on global electronic commerce.

- Within the global trading system, what can we do to develop a more certain and secure framework for promoting and protecting cultural industries?
- How can we guard against erosion of rights to regulate for reasons of public health, consumer safety, social policy and other public interests?
- In the sale of goods and services abroad, what steps can we take to reduce impediments caused by the arbitrary application of standards and regulations? How can we ensure that these standards and regulations are set at appropriately high levels, applied equitably and based on science?
- How do we approach the potential further reduction or elimination of customs tariffs on industrial goods to benefit our industries and consumers?
- How can we facilitate and improve trade through more efficient customs procedures and border measures?
- How should we deal with the unjustified use of anti-dumping and other trade remedy measures?
- In what ways can we promote better rules for service providers?
- How can we build on WTO work to address issues affecting investment and competition?

As mentioned earlier, in considering all options, we must continue to engage civil society to carefully define our long-term objectives. Our actions must be governed by openness and flexibility, not by rigid ideologies or institutions. We must increase the transparency of the WTO and build broad-based constituencies with a thorough understanding and confidence in the multilateral trading system. We also cannot proceed without respecting and engaging the interests of all WTO members. In particular, we must recognize the special concerns of the less developed or least developed members.

All this will be vital to ensuring that trade and investment liberalization meets the key needs and interests of all our peoples. Only then can trade liberalization — and the prosperity it brings — be sustainable for our long-term, mutual benefit.

Department of Foreign Affairs and International Trade

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Statement

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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
ON

ITALY-CANADA BUSINESS OPPORTUNITIES AND POTENTIAL

ROME, Italy
May 20, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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I know I speak for all our delegation when I say how honoured we are to be in this magnificent city at such an exciting time in its history and in the history of Europe.

As I thought about our visit here to Rome, I was reminded of the great legend of its founding. You'll recall that Romulus and Remus had originally established two cities along the banks of the Tiber. Romulus decided he would build a wall around his camp, and when he had finished, his brother Remus came to examine it.

Remus found the wall was easily scaled and when he had jumped on top, he mocked his brother's efforts. Romulus responded in the calm, measured way for which we Italians are justifiably famous: he attacked his brother and took over his city. Then he turned to those around him and said, "thus to anyone who jumps over my walls."

I am glad that your reception was somewhat friendlier toward us today! We have not come to jump over your walls, but to walk through the gateways provided by open borders, open arms and open hearts.

I am honoured, not only to be accompanying Prime Minister Chrétien on this historic visit, but also to be joined by 15 Canadian parliamentarians of Italian descent and by over 70 Canadian businesses, all of whom sense the possibilities for further trade and investment between our two great countries.

Canada's ties with Italy are both historic and deep. Last year, we celebrated the 500th anniversary of Giovanni Caboto's landing in Newfoundland. And throughout our history, Italian immigrants, turned Canadian residents and citizens, have helped to build Canada into one of the most prosperous countries in the world.

And just as our ancestors reached across the Atlantic for new opportunities, so today, we must extend ourselves to embrace the possibilities that await us. Not to uproot, as they did, but to invest. Not to begin new lives, but to explore new opportunities. Not to leave as emigrants, but to trade as partners.

Canada's emphasis on trade is neither recent nor accidental. With a relatively small domestic market, we have had to look abroad to sell the products and services we offer. Today, more than 40 percent of our GDP is generated by trade. And one out of every three jobs in Canada is dependent upon trade.

Italy, too, understands the imperative of embracing the global marketplace. And if there is one nation that is poised to become the pre-eminent transatlantic trading nation, it is Italy. Strategically located, with world-class products in machine tools, industrial machinery robotics, processed foods and clothes, Italy has much of what North America wants.

Canada and Italy also have much to offer one another. And so we come to Italy to reaffirm the importance we attach to our relationship and to seek ways of expanding it. To the already strong ties of friendship, we want to forge the new bonds of commerce.

Despite our long and close relationship, we have not yet truly forged those bonds. Perhaps it is because we each retain an outdated view of one another. Most Canadians don't know, for example, that Italy is the fifth-largest economy in the world, or that its 60 million consumers are among the richest in Europe, or that trade between our countries totalled over \$5 billion last year.

And I suspect that most Italians still think of Canada as a resource-based economy. You may not know that we are world leaders in high technology, aerospace or telecommunications.

I'm afraid that too many Italians still see Canada as the frozen north – not as a gateway to the vast North American marketplace.

Well, we're here to change those perceptions and to demonstrate what Canada has to offer you as well as to learn more about what Italy has to offer us. This mission is certainly part of that.

But important as these business missions may be, they are not enough. We have to broaden our approach and engage the most dynamic component of our respective economies – our small and medium enterprises [SMEs].

Italy's small and medium enterprises are known worldwide for their key place in the Italian economy. They are flexible, move fast to exploit new market opportunities and many are concentrated geographically according to industry so that they support each other through innovation and information. It is a model from which other countries can learn a great deal. And these small and medium-sized companies account for 40 percent of Italy's exports.

Canadian SMEs are also a very key component of our economy. They create most of the new jobs and are fastest to move into evolving market niches for products and services. And I am proud that there are so many representatives of Canadian SMEs on this mission.

By bringing Canadian and Italian SMEs together, we can reach our goals for enhanced trade between us, while creating jobs and growth in both countries.

We will also enable these companies to explore the opportunities for strategic alliances in third country markets. By pooling our

talents, we can do far more together than we could ever dream of doing on our own.

In this effort, Canada and Italy enjoy a natural affinity. Canadians of Italian descent – and there are one and a half million of us in Canada – constitute a natural bridge between our two countries.

We offer a wealth of information and a feel for the Canadian market which we can share with potential partners in Italy. Doors that might otherwise be closed, can be opened by people sharing a common language and a common culture.

It's a perfect match and we have to work hard to capitalize on this outstanding aspect of the Italy-Canada relationship – this real sense of family.

A better appreciation for what we have to offer one another, a greater involvement of our SMEs, the natural connections of family and heritage: all of these elements are crucial to enhancing trade between Italy and Canada.

Of course, there is another component to economic relations between us and that's investment. Direct investment in each other's countries is just as important as joint ventures or strategic alliances. And when Italian businesses think of investing abroad, we want a large, red maple leaf to come to your minds.

Let me offer just a few reasons why you should consider Canada as the place for your international investments:

First, by investing in Canada, you are investing in a country with strong economic fundamentals. Last year, our GDP grew at 3.8 percent – the strongest growth of all G-7 and OECD [Organization for Economic Co-operation and Development] nations. Interest rates are low – below those of the United States. And inflation is just about 1 percent. Best of all, Canada has balanced its budget – the first G-7 country to do so.

Second, Canada is the low-cost country in which to invest.

A study by KPMG compared the costs of establishing a business in seven countries – five European nations, the United States and Canada. These were expenses that almost every new business would have to consider – labour costs, initial capital costs such as buying the land and constructing a building, as well as the costs of electricity, telecommunications and transportation.

The study found that when you consider all the factors I've just mentioned, Canada ranks number one. In other words, it is cheaper to set up and run a business in Canada than anywhere else

studied. Cheaper than Europe, cheaper than Great Britain and cheaper than the United States.

This is a critical point. Investors from Europe and Asia, who want a foothold in North America in order to gain access to the 400 million consumers of the NAFTA [North American Free Trade Agreement] market, can do so in a more cost-effective way by looking to Canada than to the United States.

When you combine a strong economy and the low cost of doing business with access to the NAFTA market, a strong link with the Pacific Rim through the APEC [Asia-Pacific Economic Cooperation forum] and a leading role in promoting hemispheric free trade through the Free Trade Area of the Americas, you have a nearly ideal place to invest and expand a business.

So I invite Italian investors and business people to give us a careful look. Once you have, I'm confident you're going to like what you see.

And in the effort to expand trade and opportunities, Canada looks, with Italy, to Europe and the European Union. For hundreds of years, kings and dictators have attempted to unite Europe by force. Today, that unity is being brought about by the transforming power of an idea.

Nations see the value and the virtues of removing impediments to trade and investment. And in that great effort, Italy must play a vital role. Your strategic location invites it, your proud history supports it, your dynamic and competitive industries require it, and your people deserve it.

All of us recognize the need to open up new markets around the globe. That's why we need to expand trade with old friends like Italy. And that's why we need to embrace the opportunities of freer trade.

As inheritors of a proud legacy, Italian Canadians know the contribution that Italians have made to our adopted land: we know of the hardships and sacrifice made by our parents and grandparents to create new opportunities - better opportunities - for their children.

Today, we are again called to build for the future. To look across the ocean and seize the opportunities. To write a new chapter in the history of Canada-Italy relations.

And so today, let us emulate that great spirit of adventure embodied by Giovanni Caboto. Let us look beyond our frontiers. And let us build for our children, as our parents built for us.

Thank you.

Statement

98/40

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NOTES FOR A STATEMENT BY THE
HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS TO
THE STANDING COMMITTEE ON FOREIGN AFFAIRS
AND INTERNATIONAL TRADE

INDIA'S NUCLEAR TESTING: IMPLICATIONS FOR NUCLEAR
DISARMAMENT AND THE NUCLEAR NON-PROLIFERATION REGIME

OTTAWA, Ontario
May 26, 1998

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Let me begin today by stating my firm belief that India's recent nuclear tests constitute a clear and fundamental threat to the International Security regime and, thus, to Canada's security. Because of these tests, and the danger that Pakistan will give in to the enormous political pressure it is now facing at home and do likewise, the clock has been turned back to where we were 40 years ago – facing a world in which proliferation is an immediate threat. Thirty years of successful management of the nuclear proliferation threat has been undermined and the consensus view of the 186 nations who have signed the NPT – the Nuclear Non-Proliferation Treaty – has been deliberately flouted. At the same time, we are faced with a danger of a new nuclear realpolitik that threatens the progress we have made on nuclear disarmament.

The nuclear non-proliferation regime is based on, and anchored in, international law and norms, as well as incorporated into international mechanisms. The NPT is fundamental, but the broader regime is a complex system of multilateral and bilateral agreements, arrangements and mechanisms intended to promote and achieve a world without nuclear weapons, sooner rather than later. This was valid during the Cold War and remains valid today. At the same time, the regime is intended to provide a framework to enable the world to make effective use of nuclear capability for peaceful purposes.

Over the past 30 years, Canada has worked hard to develop this process and has paid political and economic prices to that end. We have forgone many possibilities for sales of nuclear technology on the one hand; while, on the other, we have been open in our demands that the nuclear-weapon States live up to their obligation to pursue nuclear disarmament to the ultimate elimination of nuclear weapons. We have been a constant voice for disarmament. With increased international stability, I would argue that the benefits have far outweighed the costs.

The NPT is the most widely adhered-to arms control treaty in existence. It is at the heart of efforts to prevent the proliferation of nuclear weapons. It provides an essential framework for international co-operation to use the atom for peaceful purposes under international safeguards; and, it entails the only legally binding obligation on the nuclear-weapon States (China, France, the Russian Federation, the U.K. and the United States) to pursue negotiations on nuclear disarmament. The NPT recognizes five, and five only, nuclear-weapon States, in return for their pledge to pursue nuclear disarmament to the ultimate elimination of nuclear weapons. For thirty years this line held.

Other international legal instruments and agreements build on the Nuclear Non-Proliferation Treaty. The Comprehensive Nuclear Test Ban Treaty (CTBT), which Canada signed in 1996, and the stalled Fissile Material Cut-off Treaty (FMCT) are important parts of the non-proliferation regime; so is the bilateral U.S.-Russia disarmament process called START. The International Atomic Energy Agency (IAEA) and Canada's detailed nuclear co-operation

agreements with many countries around the world also form part of this regime.

But let me be clear, these many arrangements are not, and cannot be, substitutes or alternatives for the NPT. Recent Indian suggestions of a willingness to be partial adherents to the CTBT, and to participate in negotiations on a FMCT, must be seen through that filter.

To preserve the integrity of the non-proliferation regime so critical to international security, non-nuclear-weapon States, like Canada, need to step forward and take a leading role in ensuring that an emerging tendency to defend the existence of nuclear weapons, that is based on what I would call a new nuclear realpolitik, does not undermine our efforts to support the non-proliferation regime. I use the expression "new nuclear realpolitik" to convey the complex of new and modified political and security rationales that are being used both by proliferators, such as India, and by the nuclear-weapon States to justify the proliferation or retention of nuclear weapons – even if at lower numbers.

We need to address two real dangers. The first is that proliferators, by claiming membership in the nuclear weapons "club," do not profit from a view that equates nuclear power with "great" power. We need to resist any movement to validate nuclear weapons as acceptable currency in international politics. This will require a policy that is marked by viability, integrity and sustainability in the objectives that we pursue.

India has publicly justified its nuclear tests primarily on the basis of regional security concerns. But, it is not evident that any significant change in regional security took place in the period leading up to the tests, and, until recently, India's relationships with both China and Pakistan were improving. India's action clearly worsens its own regional security situation and the global security equilibrium.

Nationalist ambition is perhaps the most important source of India's action. Unfortunately, it is accompanied by a total disregard by the Indian government of the implications of its actions. India appears to be driven by its rivalry with China which looms particularly large in the minds of India's ruling Bharatiya Janata Party.

India's military and strategic analysts have consistently overestimated the strategic value of nuclear weapons, both militarily and for national prestige. It would appear that India has not learned the lessons Cold War participants learned by the mid 1960s – that nuclear weapons have no tactical value. Even a limited nuclear exchange between India and Pakistan would destroy

most of Pakistan and the greater part of populous northern India. It would have enormous global ramifications.

With its decision to test, India may have launched what could be an economically destructive arms race on the Indian sub-continent; risked greater instability in and around southern Asia; globally, put a great strain on relations with a number of countries with strong ties to India, including Canada; and, generated strong adverse reaction within the United Nations (UN) system and in regional organizations, as witnessed by strong statements from the UN Security Council and from traditional partners from the non-aligned movement of countries.

These tests demonstrate India is looking to the past, rather than to the future, in terms of what the world needs to enhance international peace and security. I believe, in this regard, that India's quest for a permanent seat on the UN Security Council has suffered irreparable damage. It has forfeited any claim to a permanent seat on a body created specifically to preserve peace and security as well as to enhance the international order.

India has justified its nuclear tests by arguing that the existing non-proliferation regime is flawed. India bases this claim on the fact that the NPT allows five nuclear-weapon States to maintain their nuclear weapons without a clear deadline for complete disarmament. This argument is itself deeply flawed. While the NPT is indeed a compromise, it is one that 186 nations have accepted, and it is unacceptable for India to stand in judgement of this strong international consensus. Second, the consequence of India's approach – an unlimited number of nuclear-weapon states – is far more flawed and far more dangerous. The dangers of this creeping process should not be underestimated.

The risks of India escaping significant real censure or, even worse, gaining *de facto* nuclear-weapon state status, have far-reaching implications. Certainly, Pakistan will be watching, as well as other countries in volatile regions, including countries who have signed the NPT and have, to date, lived up to their obligations. Any widespread endorsement of *de facto* or *de jure* recognition that the five nuclear-weapons States of the NPT can become six, or seven, or eight, will inevitably lead to pressures for further expansion of this club.

Canada's actions in response to India's tests have been intended to demonstrate clearly our unwillingness to accept such an eventuality. Canada has therefore taken the following steps:

- recalled Canada's High Commissioner;
- cancelled CIDA consultations, trade policy talks and the Joint Ministerial Committee;
- banned all military exports to India;
- opposed non-humanitarian loans to India by the World Bank;

- stopped non-humanitarian Canadian development assistance to India; and
- decided to offer to Pakistan those aid funds withheld from India, should Pakistan agree to refrain from testing.

Other measures, both unilateral or in partnership with other countries, are being considered.

Canada, working with other like-minded states, can be in the forefront of ensuring that a "nuclear power" and a "great power" are not regarded as the same thing. Using the new tools of "soft power," we can demonstrate that security is best built through co-operative ventures boldly applied.

But, if addressing the dangers of proliferation is the first part of the equation, disarmament is the second part. Canada will continue to pursue its disarmament agenda with vigour. We cannot allow this process to be slowed in any way, and, in recent months, we have been actively seeking ways of speeding it up.

Since the end of the Cold War, the United States and the Russian government have made some welcome progress. The bilateral START process has been used to create a road map that would lead us to levels of nuclear weapons (2000 to 2500 apiece) that are 80 percent below peak Cold War levels. But the fact remains that little progress has been made in turning this framework into reality, and, just last week, the Russian Duma refused to consider early ratification of the START II agreement. Canada will work with other nations to find ways of getting this process moving again.

We need to be aware, however, that we face challenges. Budgetary realities have made Russia move away from a declared policy of "no first use" and increased reliance on tactical nuclear weapons, as a manifestation of the new nuclear realpolitik. We have started to hear that other weapons of mass destruction (chemical and biological weapons) provide a justification for nuclear weapons. No doubt, India's nuclear tests will soon also be cited as complications for disarmament. The lack of enthusiasm by some of the nuclear-weapon States for any forceful and tangible response to India's tests causes me great concern in this regard.

In this context, I, therefore, welcome U.S. Secretary of State Albright's address on May 20 to the U.S. Coast Guard Academy, in which she stressed the dangers of India's decision and reaffirmed the Helsinki agreements to negotiate further reductions in American and Russian nuclear arsenals. She highlighted the importance of the Senate's ratification of the CTBT, and of the priority in halting the spread of nuclear weapons that the American government has placed on its bilateral agendas with others, including China.

Early, widespread ratification of the CTBT will be another important step to reinvigorate the disarmament process. I hope to be able to introduce legislation for Canada's ratification of this treaty before the House rises this spring.

We will also push in Geneva for the early commencement and conclusion of the talks for the cut-off of the production of fissile material.

We reject the arguments of realpolitik. Disarmament politics are what you make of them. Canada remains optimistic that real nuclear disarmament is possible.

The key elements of Canada's policy are:

- a) a forceful responsible advocacy of nuclear disarmament and a nuclear non-proliferation regime based on the NPT and its associated instruments;
- b) direct and clear opposition to any move by the nuclear-weapon States to validate their nuclear weapons in the new realpolitik (i.e., in creative deterrence policies based on proliferation), coupled with persistent pressure to continue and expand the START process, while resisting destabilizing strategic developments such as weapons in space;
- c) vigorous opposition to any move (*de jure* or *de facto*) to legitimize any new nuclear-weapon state; and
- d) persistent advocacy of the non-proliferation regime backed by tangible measures such as those we have already taken.

In my view, Canada's credentials as a credible participant in building a safer and more prosperous world; our partnership with individuals, communities and governments bent on the same purposes; and, our ability, if not responsibility, to promote new channels for diplomacy and change, should guide us in opposing any pessimistic view of what is possible. We need to work against the new nuclear realpolitik.

I have asked this Committee to address the question of nuclear weapons. The emergence of this enhanced threat of proliferation provides a new context for your work. We need to look for means to promote the policy I have outlined and ensure that it is marked by viability, integrity and sustainability. We need to resist and condemn proliferators, while avoiding justifying a new nuclear realpolitik. At the same time, we need to put pressure on the nuclear-weapon States to pursue an active disarmament agenda without validating the reasoning of any would-be proliferators. This is not an easy challenge. I look forward to receiving the report of your deliberations.

Thank you.

Statement

98/41

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI,
MINISTER FOR INTERNATIONAL TRADE,
TO THE CANADA-TAIWAN BUSINESS ASSOCIATION

OTTAWA, Ontario
June 1, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



Good morning to all of you. Let me begin by adding my own welcome to Minister Shirley Kuo and our other distinguished guests from Taiwan. HUAN-YING GE-WEI.

We are delighted that you have joined with your counterparts here in Canada to explore opportunities for bilateral trade and investment, and I hope you enjoy your stay in our beautiful capital city.

I also want to thank the Regional Municipality of Ottawa-Carleton for sponsoring this event, which gives us the opportunity to showcase this region to such an important delegation of business leaders.

As Taiwan is a world leader in high-tech products, it is particularly appropriate that we should welcome you to Ottawa, which is often called "Silicon Valley North." Actually, we like to refer to California's Silicon Valley as "Ottawa Valley South," but that name hasn't really caught on yet.

I understand that you have already had a tour of the city as well as a golf tournament. Having heard about some of the scores coming out of that tournament, I don't think Tiger Woods has too much to worry about!

This morning, I would just like to speak very briefly about the exciting opportunities for Taiwan-Canada trade and investment. Geography may not have made us neighbours, but history has made us friends and the time has come for commerce to make us partners.

Of course, Canada and Taiwan already have a significant trading relationship. Taiwan is our ninth-largest trading partner and our fourth-largest in Asia Pacific. Last year, Canadian exports to Taiwan stood at over \$2 billion.

There are a number of significant initiatives under way to facilitate further trade between Canada and Taiwan. For example, I am hopeful that progress will be made on a binding arrangement to avoid double taxation.

Such an agreed mechanism would prevent taxes from being imposed by two different systems on the same income. This would benefit Canadians operating in Taiwan and Taiwanese operating here, and I think this is something that should be done – and done quickly.

There are also close personal contacts between Taiwan and Canada. More than 140 000 Taiwanese visited Canada as tourists, and increasing numbers of students have come here to study.

Taiwanese corporate names, such as Acer and Winbond, have become household names here in Canada, just as Bombardier, Nortel and Manulife are instantly recognized in Taiwan.

Indeed, our extensive economic, social and people-to-people contacts with Taiwan are growing every day. But we also know that there is more — much more — that we can and should be doing.

And I am hopeful that this joint meeting will provide the momentum to push us onto the next level of trade and investment with one another.

Canadians have long understood the opportunities that Asia offers. And let me just say, that despite the "Asian flu," we remain committed to this region and confident of its long-term success.

That's why we made last year the "Year of Asia Pacific" in Canada, and why we were so pleased to host the APEC [Asia-Pacific Economic Cooperation forum] Summit in Vancouver, last November.

During that meeting, I had the honour of speaking at length with Taiwan's Minister of Economic Affairs, Dr. C.K. Wang. We discussed the potential for closer economic ties between us — a relationship that I am determined to see flourish and grow.

We know that Taiwan is a dynamic economy. First quarter growth was nearly 6 percent this year, and Taiwan seems to have escaped the "Asian contagion" of recent months. In fact, Taiwan has weathered the regional pressures better than most, and its resilience is clear testimony both to its internal strengths and its international reputation.

As Taiwan prepares for its membership in the World Trade Organization, current concerns regarding access for foreign companies will have to be addressed. The result will be a more open and transparent regime, to the advantage of Taiwanese and foreign businesses alike.

The bottom line is that a rules-based system benefits everyone, and I urge Taiwan to dedicate itself to a non-discriminatory system of trade.

In looking at our current trade picture with Taiwan, we see that Taiwan sells almost twice as much to Canada as it buys from us. Recognizing this fact, I thought it might be useful just to remind you what Canada has to offer Taiwan.

Canadian products are recognized around the world for their quality. And, with assured access, Canadian companies will find a ready market for their goods and services.

Canada also offers an investment environment second to none. We know our Taiwanese friends have not travelled all this way just to enjoy our Canadian summer. You have come to seek new business opportunities, and you've come to the right place.

Canada is an outward-looking country. Trade is our economic lifeblood, and we have established ourselves as successful traders because we know the mutual advantages that fair and open trade can produce. We know the benefits of opening our borders to new partners, and our minds to new ideas.

So we welcome international investment. And when you invest in Canada, you are investing in a country with strong economic fundamentals. Last year, our GDP grew at 3.8 percent – the strongest growth of all G-7 and OECD [Organization for Economic Co-operation and Development] nations. Interest rates are low – below those of the United States. And inflation is just about 1 percent.

Best of all, Canada has balanced its budget – the first G-7 country to do so. We have eliminated the deficit, and can now look forward to budget surpluses, beginning next year.

Canada is a dynamic market of 30 million people, but in broader perspective, it is a gateway to the United States and Mexico. We have some of the world's highest standards of education, and the productivity and quality of our work force is second to none.

In terms of quality of life, I would simply note that the United Nations has named Canada the best country in which to live, for four years running.

It is also a low-cost place to do business. In fact, Canada is the low-cost country in which to invest.

A study by KPMG compared the costs of establishing a business in seven countries – five European, the United States and Canada. These were expenses that almost every new business would have to consider – things like labour costs, including wages, statutory and employer-sponsored benefits; initial capital costs like buying the land and constructing a building; as well as the costs of electricity, telecommunications and transportation.

The study found that when you consider all of the elements I just mentioned, Canada ranks number one. In other words, it is cheaper to set up and run a business in Canada than anywhere else studied. Cheaper than Europe, cheaper than Great Britain, and cheaper than the United States by some 5 percent.

This is a critical point. Investors from Asia, who want a foothold in North America in order to get access to the 400 million consumers of the NAFTA [North American Free Trade Agreement] market, can do so in a more cost-effective way by looking to Canada than to the United States.

To take a stark example from the KPMG study, an Asian business setting up a typical 100-worker plant in Canada, will save, on

average, nearly US\$1 million annually over a similar site south of the border.

It is also worth noting that investing in Canada is both safe and secure — fully protected by a transparent, rules-based system. This is important when you consider the turmoil — and lost investment — in some other parts of the world.

Canada also has some of the most dynamic small and medium-sized enterprises [SMEs] in the world. These companies are looking for partners to explore new opportunities, and I am confident that we can begin to make some of those connections today.

When you combine a strong economy and the low cost of doing business with access to the NAFTA market, a strong link with the Pacific Rim through APEC and a leading role in promoting hemispheric free trade through the Free Trade Area of the Americas [FTAA], you have a nearly ideal place in which to invest and grow a business.

So when Taiwanese business people think about investing abroad, we want a large red maple leaf to come to your mind!

Let me just close by thanking all of you for your interest in furthering ties between us.

As we consider the potential of our relationship, I am reminded of a story that is told of the great French marshal, Louis Hubert Lyautey. Marshal Lyautey once asked his gardener to plant a tree. The gardener objected that the tree was slow-growing and would not reach maturity for many years.

The marshal replied, "then we have no time to lose. Plant it this afternoon."

Reaching the full potential of Taiwan-Canada economic ties may still be years away. But we have no time to lose. Let us continue to cultivate it, nourish it and help it to reach full flower — for ourselves and for those who will follow.

Thank you again for coming, and best wishes for a successful meeting.

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Statement

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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI,
MINISTER FOR INTERNATIONAL TRADE,
TO THE
EUROPEAN UNION CHAMBER OF COMMERCE IN TORONTO

TORONTO, Ontario
June 4, 1998



This document is also available on the Department's Internet site:
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I am delighted to be here with the European Union [EU] Chamber of Commerce, and I want to thank the Italian Chamber of Commerce of Toronto for hosting this wonderful dinner.

Today's meeting could not be more timely. Just a few weeks ago, the Prime Minister and I were in Great Britain for the reopening of Canada House and to attend the Canada-EU Summit.

The Prime Minister also held private talks with Prime Minister Blair, and visited Bosnia and Slovenia to be briefed on the situations there.

And, of course, we have just completed a trade mission to Italy, involving 75 businesses and a parliamentary delegation.

All of these activities have allowed us to reaffirm the old ties of old friends and to renew our commitment to enhancing co-operation between Canada and the European Union.

And while it is true that Canada is working hard to expand our trade with nations around the world, Europe has always held a central position in our history and our hearts – and that relationship will always continue.

The Italy trip clearly demonstrated the strong personal connections that exist between Europeans and Canadians. And just as we could visit Italy and feel very much at home, so can we tour most European countries and sense the affinity of a shared past and a common future.

We should never underestimate the value of those connections – of the natural bridges that span an ocean and facilitate commercial relations.

And those commercial relations are strong. For Canada, Europe is second only to the United States as a trade and investment partner.

In 1997, Canadian exports to the EU were worth almost \$23 billion, and nearly one fifth of our entire direct investment abroad was aimed at Europe.

But we also know that we can be doing much more to participate in the exciting new Europe that is emerging. So today, I would like to just touch on four elements of our strategy to enhance trade between us:

- First, we want to accelerate progress on the Canada-EU Cross-Atlantic Action Plan;
- Second, we want to promote Canada as an ideal place for European investment;
- Third, together with Europe, we want to continue to champion liberalized trade around the globe;

- And fourth, we need to build the right transatlantic bridges to connect our two communities.

Let me just deal briefly with each of these.

First, we want to accelerate the work on the Canada-EU Cross-Atlantic Action Plan and conclude the joint trade study. This will allow us to recommend options to reduce or eliminate trade barriers between us.

Already, the Action Plan has provided the impetus for concluding a number of bilateral agreements that simplify bureaucratic procedures and provide a "level playing field" for Canadian and EU companies.

During the Prime Minister's recent meeting in London with Prime Minister Blair and President Santer, we signed an important agreement that will allow businesses in both Canada and the EU to have a much simpler way of getting their products certified to meet each other's standards.

We also signed, in December 1997, an agreement on customs co-operation that will allow us to streamline customs procedures and reduce customs fraud.

Looking ahead, we hope to sign even more agreements — in areas like competition policy, nuclear research and the equivalence of veterinary measures affecting trade in animals and animal products.

The pace of progress between us is quickening, and we are determined to maintain the momentum generated by our Action Plan.

In that effort, we recognize the vital role that the private sector must play — particularly the small and medium-sized enterprises [SMEs] — which are so dynamic and which generate so many of the new jobs.

In fact, I can say to you today, that if our trade policy fails to take into account the needs of these smaller businesses, we will deprive ourselves of the greatest engines of growth in our respective economies.

That's why we have a new initiative, known as "Crossing the Pond." This is a partnership between the private and public sectors, which is aimed specifically at helping Canadian SMEs to enter the European market, and at demonstrating to European SMEs the advantages of locating in Canada to serve the NAFTA [North American Free Trade Agreement] market.

In fact, today in Ottawa, we are holding the first "Crossing the Pond" event, as experts from the private sector and many of our

European trade commissioners meet with technology-based companies to help them design the best strategies for penetrating the European market and enhancing our market share.

Canada also intends to be a full participant in the Transatlantic Business Dialogue, a private sector-led initiative. Under the leadership of Tom D'Aquino and the Business Council on National Issues, Canadian CEOs have begun to participate, adding the value of their experience and the breadth of their knowledge.

Secondly, we want our European friends to know and fully understand what an ideal place Canada is for their investment.

By investing in Canada, Europeans are investing in a country with sound economic fundamentals. Last year, our GDP [gross domestic product] grew at 3.8 percent — the strongest growth of all G-7 and OECD [Organization of Economic Co-operation and Development] nations. Interest rates are low — below those of the United States. And inflation is just about 1 percent. Best of all, Canada has balanced its budget — the first G-7 country to do so.

But strong economic fundamentals aren't all Canada has going for it. Many of you will know of the study by KPMG International that compared the costs of doing business Canada, the United States and five European countries.

The study found that it is cheaper to set up and run a business in Canada than anywhere else studied.

To take a stark example from the KPMG study, a European business setting up a typical 100-worker plant in Canada, will save, on average, nearly US\$1 million annually over a similar site south of the border.

This is a critical point. Investors from Europe who want a foothold in North America can do so in a more cost-effective way by looking to Canada than to the United States.

Europeans must understand and recognize that Canada is not simply a market of 30 million, but a gateway to the 400 million consumers of North America. Six-way trade in the NAFTA is over US\$500 billion per year. Canada has preferential access to the largest market in the world, and no one knows the Americans as we do. As well, we are leaders of the FTAA [Free Trade Area of the Americas] and are making significant gains in the world of Latin America. And, of course, we are also a Pacific nation, as a member of APEC [the Asia-Pacific Economic Cooperation forum]. So, Canada is a great entry into a vast area for immense trade and commercial potential.

Third, our plan is to continue to champion freer trade around the world.

In encouraging trade liberalization around the globe, we know that free trade should not mean a free-for-all, and that rules are necessary to provide fairness and certainty. That's why Canada has concluded free trade agreements with the United States and Mexico, Chile, and Israel, and are proponents of freer trade in our hemisphere and in the Asia-Pacific region.

With more than 40 percent of our GDP and one out of every three jobs in Canada dependent upon exports, Canada's economic destiny lies in embracing globalization and in ensuring that we can prosper in an open trading environment.

It is somewhat troubling, therefore, that we have a \$12 billion trade deficit with the EU. That may, in part, be due to an outdated view of Canada as primarily a source of natural resources.

Our task is to update that image, to let Europeans know, for example, that we are fifth in the world in terms of aerospace and fourth in telecommunications.

But we must also say, quite frankly, that image isn't the only problem. We are also frustrated by the barriers that have been erected to prevent some of our products from entering the European market.

Europe is a mature market, but, at a time when barriers are falling around the world, I am hopeful that Europe will become a more accessible market for Canadian products and services.

The fourth and final component of reinvigorating our commercial relationship with Europe is to create the right framework for transatlantic trade.

At the moment, Europe is pursuing three different tracks: one with Canada, one with the United States and one with Mexico. While in the short run this may enable these individual plans to make progress, in the long run Canada believes that this three-pronged approach is both cumbersome and inefficient.

Soon, the time will come to converge the three roads into one super highway across the Atlantic, involving free trade between Europe and all of the NAFTA countries. We need to envision community-to-community dialogue, and not a community-to-three-different neighbourhoods. This would more accurately reflect the reality of the business community that does not view Canada, the United States and Mexico as three separate markets, but as one market, called the NAFTA. It desires, therefore, an integrated, comprehensive, cross-Atlantic approach.

This would also help to lessen concerns about a "fortress Europe" or "fortress North America" and demonstrate the long-term wisdom of extending hands across the ocean.

Our preference for a single set of negotiations is not new. As long ago as 1994, in a speech to the French Senate, Prime Minister Chrétien proposed a NAFTA-EU free trade agreement. He promoted that idea again last October in his speech to the Canada-United Kingdom Chamber of Commerce, and reinforced this during his most recent visit.

So we call upon Sir Leon Brittan and the EU to integrate its approach to the North American market and begin to see it for what it is – a single market and a single entity, which should be the subject of a single trade agreement.

I began by talking about the deep roots we Canadians have in Europe. In honour of our Italian hosts, I want to remind ourselves that last year marked the 500th anniversary of the voyage of Giovanni Caboto – John Cabot – to our shores.

Today, we must emulate the great spirit of adventure embodied by Caboto. We must look beyond our frontiers. We must reach out across the ocean and embrace the opportunities that await us.

We must build a relationship that will honour our past. But more importantly, we must strive to build a relationship that embraces our tomorrows, one that seeks to bring our two communities and peoples closer together.

Thank you.

Statement

98/43

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI,
MINISTER FOR INTERNATIONAL TRADE,
TO THE JAPAN SOCIETY

TORONTO, Ontario
June 5, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



I would like to thank the Toronto Japanese Association of Commerce and Industry, and the Japan Society, for hosting this wonderful luncheon.

I was reminded recently that in 1929, just two years after receiving the right to establish diplomatic relations with other countries, Canada proceeded to establish diplomatic relations with two countries that it considered to be of great importance: France and Japan.

Nearly 70 years later, I stand before you to reaffirm the importance that we attach to our relationship with Japan, and to declare, in no uncertain terms, that we intend to remain fast friends and firm allies for the next 70 years as well!

Your organizations have always played an important role – in furthering economic relations, enhancing cultural understanding, and supporting business and educational exchanges between Japan and Canada.

But your role is even more vital now, when the present financial difficulties in Asia cause some to question our commitment to this region, or to suggest that our interests and efforts should be directed elsewhere.

At such times, your in-depth knowledge and your long-term perspective become essential, reminding us of the opportunities that await us and the underlying strengths that support them.

So I welcome this chance to meet with you today, to reassert our commitment to Japan and to developing even stronger commercial relations with it.

Let me begin with a clear statement of Canada's position: We are not a fair-weather friend. Japan is Canada's second-largest trading partner, and one of our major allies in the world. Our commitment to it remains undiminished.

We remember the Japanese proverb that "one arrow is easily broken, but not 10 in a bundle" – and we intend to stand by your side and offer you our support.

Indeed, as we celebrate the 70th anniversary of diplomatic relations between us, we do so with greater optimism than ever about what lies ahead.

As a companion that is in for the long haul, Canada is prepared to match its words of support with steps of assistance. We are working with Japan, in the G-7 and APEC [Asia-Pacific Economic Cooperation forum], to support the hard-hit economies in Southeast Asia. For example, we have contributed to multilateral IMF [International Monetary Fund] assistance packages for Korea and Thailand, and have provided additional support for Indonesia and other countries in Southeast Asia.

But we also know, as you do, that Asia's problems will ultimately be solved by Asians — that reforms will need to be introduced, and difficult decisions will need to be made.

In the case of Japan, the problems are both structural and cyclical. To address these problems, Japan has introduced a number of measures, including the deregulatory "big bang" in financial markets. Other initiatives have included an injection of public funds into the banks, spending on public works, and tax cuts.

Canada supports these efforts as important first steps. We remain of the view, however, that the only way to sustained economic growth and recovery is through comprehensive deregulation and reform.

Deregulation will increase domestic demand, enhance global competitiveness and create new employment opportunities.

While the "big bang" will produce some deregulation, we believe that a more far-reaching restructuring of companies, inter-company relationships and distribution systems will be necessary if an extensive revival of the economy is to occur.

Canada does not speak as a critic of Japan — it speaks as a friend — one that has been through its own period of reform and renewal, and that understands the benefits offered by such a process.

While the challenges we faced were different from those confronting Japan, both countries share the need to respond to change — and I am confident that Japan will meet the test.

So while Canada recognizes the seriousness of the problems facing Japan and the necessity of substantial reform, we are also determined not to allow the current challenges to obscure the tremendous opportunities that still exist.

One of those opportunities is that presented by APEC. As you know, last year was Canada's Year of Asia Pacific, culminating with our hosting of the APEC Summit in Vancouver.

We must not lose the momentum created by that exciting year. And we intend to push forward on reducing trade barriers and opening up new markets, beginning with the meeting of APEC Trade Ministers, later this month in Malaysia. It is important that we not retreat from commitments in Vancouver, as this will result in stronger and more robust Asian economies in the medium and long term.

As I mentioned a moment ago, Japan stands second only to the United States as Canada's leading trading partner. Last year,

two-way trade between us was more than \$23 billion. And one third of all foreign investment coming into Canada came from Japan.

The size and importance of the Japanese economy can hardly be overstated. Japan alone accounts for almost one fifth of the world's GDP [gross domestic product], and produces almost 12 percent of the world's exports. The Japanese population of 126 million represents a sophisticated and highly competitive market. And in areas such as autos, electronics and industrial technology, Japanese companies are world leaders.

But Japan must also realize that just as a plane needs two wings to fly, so a nation needs both imports and exports to create a healthy domestic economy. Any effort to simply "export your way to recovery" is doomed from the start, because it deprives the Japanese economy of the invaluable infusion of trade and investment that is a spur both to local spending and to increased productivity.

So I would urge Japan to adopt a more open posture with respect to goods and services from abroad.

Canada wants to build on our already strong relationship with Japan, and has developed an Action Plan to enhance our commercial partnership. As many of you know, that plan identifies a number of sectors that we believe hold the most promise for Canadian businesses. These include tourism, information technologies, medical equipment and devices, consumer and building products, as well as food and fish products.

There have already been some notable successes. In the food products sector, for example, each year, new Canadian products are being adapted to the needs of Japanese clients, and are finding their way into Japanese homes.

We have also moved forward on another front — what we call "Third Country Co-operation" — an agreement designed to promote collaboration between our respective private sectors.

This agreement was based on the premise that, through partnerships, our companies, especially our small and medium-sized enterprises [SMEs], could win a larger share of the expanding market for infrastructure around the world.

Since the Third Country Co-operation agreement was signed in 1996, there have been a number of exciting success stories. For example, H.A. Simons, of Vancouver, has developed a relationship with a Japanese company to collaborate on a petrochemical project in Saudi Arabia. And here in Toronto, R.A. Andrews, a small engineering company, is now working on its third project with a Japanese company.

Part of expanding our commercial ties with Japan involves raising the profile of Canadian products, services and technology. To that end, I met with Japanese Minister of Industry and Trade Horiuchi during the Quad meeting in April. And our Prime Ministers have met several times, most recently at the recent Birmingham G-7 Summit, where they agreed that a high-level business mission from Canada should visit Japan.

Such a mission would serve to continue the excellent work of the Keidanren Business Partnerships Mission, which visited Canada in September of 1996.

I understand that the private sectors of both countries have endorsed this idea, and that a high-level delegation will be led by Jacques Bougie and Tom D'Aquino, possibly as early as November.

And just as we need to expand the awareness of what Canada has to sell to Japanese consumers, so we must enhance the understanding of what Canada has to offer to Japanese investors. We must let our Japanese friends know that Canada is an ideal place in which to invest or start a business.

Many of you will be familiar with a study conducted by KPMG that compared the costs of establishing a business in seven countries — five European, the United States, and Canada.

The study found that when you consider all of the elements, Canada ranks number one. In other words, it is cheaper to set up and run a business in Canada than anywhere else studied — cheaper than Europe, cheaper than Great Britain, and cheaper than the United States by some 5 percent.

This is a critical point. Investors from Asia who want a foothold in North America in order to get access to the 400 million consumers of the NAFTA [North American Free Trade Agreement] market, can do so in a more cost-effective way by looking to Canada rather than to the United States.

To take a stark example from the KPMG study, an Asian business setting up a typical 100-worker plant in Canada, will save, on average, nearly US\$1 million annually over a similar site south of the border.

And when you combine these low costs with the high quality of our workers, infrastructure and living standards, you have a superb environment for investment.

One sector that has already demonstrated the benefits of investing here is the automotive industry. By combining the skills of Canadian workers with the technical expertise of

Japanese automakers, we have produced some of the world's most efficient assembly facilities.

As many of you know, Canada has been conducting a review of the competitiveness of the automotive sector, and its results will be made known shortly.

The automotive sector is just one example of successful Japanese investment in Canada, and we believe that by getting the word out on what we have to offer, we can attract more — much more — to the benefit of both nations.

We want to ensure that when Japanese business people think about investing abroad, a large red maple leaf to comes to mind! Of course, the relationship between Japan and Canada goes far beyond the exchange of goods and services. There is also a very strong people-to-people exchange — through tourism, youth programs and the twinning of cities.

These not only foster good will between our people, but also help to ensure that the Japan-Canada relationship retains the profile it deserves.

I began by discussing the need for perspective in assessing the current crisis in Asia. And I suggested that those of you in this room had a particular role to play in providing that perspective.

Canadians want to understand events in Japan better. We need your insights, your wisdom, your experience. In the days ahead, your contribution is needed more than ever.

In closing, let me relay a story that is told of Abraham Lincoln, which I think captures the essence of what I've tried to say today.

One night, when he was a young boy, Lincoln and a friend were out walking, when a meteor shower began. Lincoln's young companion became frightened, but Lincoln told him to look beyond the meteors, to the fixed stars shining above them.

Today, we also must look beyond the present difficulties to the bright stars of opportunity and promise. We must see the storms for what they are — troubling, but temporary. And if we do, we will see the rising sun of Japan still shining behind the clouds, still full of promise, and still strong enough to provide a bright future for its people.

This is the future that Canada sees for Japan. And this is the future that we want to help build.

Thank you.

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Statement

98/44

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
ON THE OCCASION OF THE THIRTY-FOURTH
ASSEMBLY OF HEADS OF STATE AND GOVERNMENT
OF THE ORGANIZATION OF AFRICAN UNITY

OUAGADOUGOU, Burkina Faso
JUNE 9, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



I want to thank you for accepting my invitation to this reception. It is an honour and a pleasure for me to accept the invitation of Foreign Minister Ouédraogo to be here during the Organization of African Unity Summit (OAU). This is particularly the case given the special activities in the lead-up to the Summit this year which focussed on follow-up to the Ottawa Convention banning anti-personnel landmines.

The OAU is the pre-eminent forum for all Africans. Thirty-five years ago, the OAU symbolized the hopes of African independence makers. Today, a new generation responsible for Africa's renaissance looks to the OAU for leadership and inspiration. I have benefited greatly from the insight gained from my visit here.

At the time that the OAU was founded, Foreign Ministers focussed mainly on relationships between sovereign states. Today, we deal increasingly with issues that cut across state boundaries and that affect directly the daily lives of individuals: crime, drugs, terrorism, human rights abuses and environmental problems. War itself has changed. Traditional wars between states have become less common, and internal conflicts more so: 90 percent of all deaths in armed combat occur in civil wars, and 80 percent of all casualties are civilians. We face complex new problems, but also immense opportunities, if we can only develop the right tools, institutions and ideas to grasp them.

Unfortunately, traditional wars are also still with us. I deplore the mounting conflict between Ethiopia and Eritrea, and salute the valiant efforts of the OAU and its Conflict Prevention Mechanism to head it off. The tragic escalation of fighting underscores Secretary-General Salim's urgent call for greater vigilance and preparedness on the part of the Organization and its member states to deal with conflict situations on the continent. Canada has followed the wise counsel of the OAU in appealing to both sides to exercise restraint and to resolve their differences peacefully.

Responses to Change: Turning Back or Looking Ahead?

These are not the only nations that have responded to global change by trying to turn the clock back. India and Pakistan may believe that by testing nuclear devices, they have enhanced their security and their international status. On the contrary, they have dangerously destabilized their region, and missed the chance for true international leadership: that shown by South Africa when it renounced nuclear weapons.

At a recent meeting of North Atlantic Treaty Organization (NATO) Ministers, I argued that these events are a sharp reminder to the nuclear-weapon States to abandon their nuclear arsenal. As we are doing with landmines, like-minded countries should redouble their

efforts to press for an end to these dangerous relics of a darker age.

In contrast, Africa is seizing the opportunities of a new era. A new style of leader – democratically elected and increasingly conscious of the importance of national reconciliation and good governance after decades of ethnic and civil strife – is taking charge of the future. These men and women are laying solid foundations for true peace and stability based on democratic participation and the rule of law. The conditions for economic growth have been laid. A confident Africa is assuming its rightful place on the world political stage, and reinvigorated African economies are entering world markets as full participants.

African leadership and activism is central to resolving many of the problems of this new era: land mines, child soldiers, proliferation of small arms, eradicating poverty and building peace and sustainable development; in other words, to promoting human, rather than state, security.

Promoting human security is also a priority of Canada's foreign policy. As Canadians and Africans search for the tools to address human security problems, we often find ourselves acting in harmony. This is not surprising. Both Canadians and Africans have had to adapt inherited institutions to accommodate the needs of diverse ethnic populations and foster a positive national vision.

Moreover, we have established a solid record of bilateral and multilateral co-operation over the last forty years, in development, in peacekeeping and within the United Nations (UN), la Francophonie and the Commonwealth. Canada has contributed to seven of the ten UN peacekeeping and observer operations in Africa over the past five years. Currently, Canadian peacekeepers are deployed alongside soldiers from eight African countries in the Central African Republic. But lessons drawn from the experiences of the past five years make it difficult to avoid the conclusion that peacekeeping alone is not adequate to deal with the new security challenges.

The Landmines Campaign

Perhaps the clearest example of African leadership in responding to these challenges, and of the shared interests and approach of Canada and Africa, is in the campaign to ban landmines. In Maputo [Mozambique] and Oslo last year, and now again in the seminar held here last week, African countries made key contributions. Above all, you kept the focus on the human tragedy caused by landmines.

Because it is the most severely mine-affected region in the world, Africa's voice had special urgency and resonance. The

clear and unanimous support of the Harare Summit for a convention banning these horrific weapons had a tremendous impact on the global campaign. Without the driving force of Africa, it would have been much more difficult to achieve the treaty. The vision and leadership of Jakkie Selebi, the South African diplomat in the Chair in Oslo, enabled us to move forward with determination and clarity of purpose.

Minister Ouédraogo invited me here in part to discuss follow-up to the signing of Ottawa Convention. If you will permit, I would like to give a brief update of where we stand. With 126 signatories and 14 ratifications already, the Convention is setting a new record as it moves steadily towards early entry-into-force and the establishment of a clear new international norm banning these odious weapons.

The next challenge is to reach the 40 ratifications needed for the Convention to enter into force. Mauritius, Djibouti and Mali have ratified. Botswana, Guinea, Mozambique, South Africa, and Zimbabwe are due to do so shortly. I hope that all those countries whose representatives are gathered here will ratify within the coming weeks. Between us, the 39 African signatories and Canada could achieve entry-into-force all on our own. More important, the moral weight of Africa's numbers will add to the pressure on those states that are holding out on signing the Convention.

The other challenge facing us is mine action: the urgent need to clear land of mines so that people can return to farm and live; and the crucial long-term issue of ensuring the reintegration – including social and economic – of mine victims into their societies and into productive, meaningful lives. Canada has pledged \$100 million towards implementing the Convention and meeting the enormous humanitarian challenge posed by anti-personnel mines. As one of our first projects, Canada will contribute \$10.5 million over three years to a program to strengthen mine clearance efforts in Mozambique.

Tackling the Roots of Conflict: Economic Co-operation

As we work to clear up this legacy of past conflicts, it is also important to tackle the root causes of conflict, including poverty and inequity. Canada understands that it is difficult to focus minds on dialogue and reconciliation when hunger and disease prevail.

At the recent meeting of G-8 Foreign Ministers in Birmingham, African economic concerns figured prominently. There was unanimity on two points:

- Africa is undertaking difficult reforms, pursuing economic policies that prepare domestic industry to engage world markets and compete for investment, and;
- African leaders deserve help in this necessary, but painful, effort.

G-8 members agreed on the need to tackle the debt overhang as a priority, in order to free African economies from the burden that it imposes on their future.

Canada has long been at the forefront of efforts to encourage faster, easier and more broadly based debt relief for developing countries. In 1987, Canada forgave all Official Development Assistance (ODA) loans to Sub-Saharan Africa, and since then all Canadian ODA has been on a grant-only basis. We have been active within the G-8, the World Bank, the African Development Bank, and the International Monetary Fund (IMF) in pushing for flexible and generous implementation of the Heavily Indebted Poor Country (HIPC) initiative. Canada contributed \$8 million in direct bilateral assistance to Mozambique to help meet its HIPC financing gap.

Last month in Abidjan [Côte d'Ivoire], Canada was glad to play a full part in reaching agreement on a 35 percent increase in capital for the African Development Bank. Early next month, we will host the first substantive negotiations aimed at ensuring that adequate concessionary funding continues to be available to Sub-Saharan African countries.

Today, I am pleased to announce a new Canadian contribution to African debt relief. Canada has decided to donate its share of the World Bank's Interest Subsidy Fund (ISF) – approximately \$30 million – to the World Bank's HIPC Trust Fund. At least \$20 million of this total will be earmarked to support full African Development Bank participation in the HIPC debt initiative.

Canada is engaging African economies on all fronts. Traditional development activities will continue to form the cornerstone of our economic co-operation with many countries in Africa, while taking into account the links between new human security concerns and sustainable development. As a Canadian who is proud of our record – \$15 billion worth of aid to Africa over forty years – I am pleased that the bleak period of ODA cutbacks is over, and that some planned cuts have even been rolled back. Africa will continue to receive nearly half of all the bilateral assistance we give to needy regions of the world.

At the same time, trade and investment relations between Canada and many African countries have entered a new era. Direct Canadian investment has grown from \$400 million in 1993 to \$777 million in 1997. Over half of all mining sector investment in Africa involves Canadian companies. Canada encourages African

exports. Over 90 percent of your products enter our market duty free, and the results prove it: trade flows are almost two to one in your favour.

New Tools for a New Era

I have spoken of disarmament and of economic development as key elements in responding to the challenges of a new era. The final part of the equation for building peace and human security is to work at all levels – bilateral, regional, and multilateral – to develop innovative tools and to reform existing institutions. These will allow us to address urgent issues, such as traffic in small arms and the involvement of children in war, which traditional approaches are ill-equipped to deal with.

Through our Peacebuilding Fund, Canada is supporting local African mediation or peace process initiatives, particularly at a grassroots level. These include bilateral projects with Burundi, Somalia and Rwanda on conflict resolution and rebuilding war-torn societies. In Mozambique, a Canadian NGO is helping to reintegrate combatants into society through the collection and exchange of their arms for tools. In South Africa, we are working with the Institute for Security Studies on the development of an Action Plan for the control of small arms in the Southern and Central African regions.

I am pleased to announce that Canada will also contribute \$400 000 to support the courageous initiative of President Konaré of Mali, which seeks to achieve a moratorium on the manufacture and sale of light weapons in West Africa.

At a regional level, Canada has focussed on the OAU in recognition of its unique role. Canada is supporting the OAU's efforts to reposition itself to better promote peace, stability and sustainable development on the continent through the OAU Mechanism for Conflict Prevention, Management and Resolution. In particular, we are supporting:

- multilateral mediation and conciliation initiatives under OAU auspices in areas facing the threat of, or actual, conflict;
- the reinforcement of organizations and mechanisms for independent policy development, conflict prevention, peacekeeping and crisis response; and
- efforts to create the conditions for a successful UN/OAU Conference on Peace, Security and Development for the Great Lakes.

Canada salutes the leadership of the OAU, in conjunction with UN Special Representative for Children and Armed Conflict Olara Otunnu, in combatting the increasing involvement of children in conflict. According to the United Nations Children's Fund

(UNICEF), in the past decade an estimated one million African children have been killed in combat, six million seriously injured or permanently disabled, and one million orphaned. When children are forced to become combatants, sex slaves or spies, the after-effects on them and on society last a whole generation. We urge African governments which have not yet done so to sign and ratify the African Charter on the Rights and Welfare of the Child. Canada is fully behind diplomatic efforts to address this problem, and we stand ready to help individual countries deal with its effects.

Democracy, good governance and respect for human rights are also essential building blocks for sustainable peace. Through the Commonwealth Ministerial Action Group, we are working side-by-side with African colleagues to nurture democratic trends and respect for human rights in the region.

Canada-Africa Partnership within the United Nations

At the UN, Canada is working hard to ensure that UN bodies, including the Security Council, are better attuned to the real needs and capacities of Africans, are more responsive and engaged, and are empowered to address the new human security agenda. In the era of CNN and the Internet, there is a crying need for an institution which can act in a timely, effective and innovative manner. We must dismantle outmoded thinking and structures, and work toward a Security Council that reflects today's needs and concerns, rather than the realities of 50 years ago.

Canada is committed to enhanced co-operation between African regional organizations and the Security Council. The Council's role in promoting peace and security in Africa cannot succeed without the active participation of Africans themselves. At the same time, Canada shares the view of UN Secretary-General Kofi Annan that efforts to reinforce the capacity of African countries to mount peacekeeping missions "are not in any way intended to relieve the broader international community of its collective obligations under the Charter of the United Nations."

Canada will not agree to the offloading of these responsibilities from the Security Council, where they belong, onto African shoulders.

These concerns represent a direct challenge to the way the Security Council conducts its business. It is essential that it has both the political will to exercise its legal responsibilities for peace and security, and the financial resources to implement solutions. This requires delinquent members to pay their dues. It requires a willingness to move away from vestiges of the past – such as permanent status on the Security Council or the veto – which prevent the Council from

coming to grips with a problem before it deteriorates into crisis.

In contrast, the partnership between Canadians and Africans should serve as a model for effective multilateral action. Together, we have shown that countries across the UN membership can seek common ground, and act on the basis of mutually beneficial co-operation. Canadians believe that emphasis on conflict prevention and peacebuilding, enhancing human security, fostering democracy and good governance, strengthening humanitarian law and action, reflect the real needs of UN member states and the proper exercise of responsibility by the Security Council. We have been reinforced in this belief by the growing number of African partners who share our concerns, and have joined their efforts with ours.

Canada has been very heartened by the extensive African support for our Security Council candidacy. I believe that we share the same goal: a Security Council that works effectively and with concern for the wishes of all members, not just a select few.

If elected, Canada will promote transparency and openness of the Council, as we have done in the past. We will work closely on Council issues with the African Council Members and with the broader African membership of the United Nations. In co-operation with other non-Permanent Members of the Council, we will insist that the Permanent Five prove themselves more responsive to the wishes of the membership at large.

I have spoken for too long, but it is hard to be brief when there are so many issues of common concern and so many areas where we are like-minded. Now that we are freed from the old Cold War strictures that divided the world into separate camps, the potential for effective new partnerships is immense, as we proved in the landmines campaign.

Thank you.

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Statement

98/45

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NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE
DIPLOMATIC CONFERENCE TO ESTABLISH
AN INTERNATIONAL CRIMINAL COURT

ROME, Italy
June 15, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>





We stand poised at the edge of invention: a rare occasion to build a new institution to serve a global need. An International Criminal Court is within our grasp. I wish to outline for you today why I believe that we must seize this opportunity in a spirit of hope and determination.

Let me begin by thanking some of those who have brought us this far: the government of Italy for agreeing to host this conference, and Adriaan Bos for his able chairmanship of the preparatory meetings. I am very sorry to hear of Mr. Bos's ill-health, and am honoured that you have chosen a Canadian to help shepherd this process to fruition. I also want to welcome the offer made by the Netherlands to host the Court in The Hague, once it is established.

In an era where the nature of conflict has changed so profoundly – as evidenced by the tragic events of recent years in Central Africa and in the former Yugoslavia – the need for an International Criminal Court is clear and acute. We live in a world where most of the conflict is civil and most of the victims are civilian. The acts of war have become even more senseless, and too often these acts of atrocity go unpunished. Thus, the most pressing priority of international relations today is no longer the security of states, but of individual citizens. Yet international institutions, practices and codes of humanitarian law were designed in an earlier era, when this was not the case. The time has come for us to build new institutions that respond to new needs.

An independent and effective International Criminal Court will help to deter some of the most serious violations of international humanitarian law. It will help give new meaning and global reach to protecting the vulnerable and innocent. By isolating and stigmatizing those who commit war crimes or genocide, and removing them from the community, it will help to end cycles of impunity and retribution. Without justice, there is no reconciliation, and without reconciliation, no peace.

To achieve this end, we must work together, not simply to establish a Court, but to ensure that it is one worth having. A Court worth having is one with inherent jurisdiction over the core crimes of genocide, crimes against humanity and war crimes. We must not create a regime that would allow states to gain the prestige of ratifying the ICC Statute without ever accepting the Court's jurisdiction over a particular crime.

A Court worth having is one with a constructive relationship with the United Nations, in which the independence and impartiality of the Court are preserved. The Security Council has a useful role to play in referring matters to the ICC, as this will increase the effectiveness of the Court. We must not, however, allow the Court to be paralyzed simply because a matter is on the Security Council agenda.

The operations of the Court should be financed from the regular budget of the UN in the same manner as the human rights monitoring bodies. This will ensure broad international support for the objectives of the ICC, and avoid any financial disincentive to ratification by state parties.

A Court worth having is one with an independent, highly professional Prosecutor. He or she should be able to initiate a proceeding *ex officio*, rather than having ICC jurisdiction "triggered" only by a state complaint or a Security Council referral.

Above all, a Court worth having is one that addresses the real problems on the ground. That means focussing not only on re-building peace through reconciliation, but also on responding to the needs of the victims of conflict – victims who are disproportionately women and children.

The Court should be sensitive to gender issues emerging from the experience of women in armed conflict, and incorporate them into the mainstream of its functions. This requires both the Statute and the day-to-day functioning of the Court to integrate a gender perspective. Rape, sexual slavery and other forms of sexual violence must be recognized as war crimes and crimes against humanity in the Statute, reflecting the landmark decision made at the UN Conference on Women in Beijing.

Children are often doubly victimized, particularly in internal conflicts, as civilian victims of war and as child soldiers. The Court should have a mandate to prosecute those who recruit children under 15 into armies or armed groups or who use them in hostilities in any way.

Finally, the mandate of the Court to deal with war crimes must extend not only to conflicts between states, but also to those within states. This century has seen a dramatic escalation in the prevalence and brutality of internal armed conflicts, of which civilians increasingly bear the brunt. It would be short-sighted to create a Court that does not reflect this reality.

I call on all states represented here to work together in a spirit of openness, co-operation and flexibility to achieve a Court worth having. States can do so without fear of intrusion by the ICC on their sovereignty. The principle of "complementarity" ensures that the Court will only exercise jurisdiction where national systems are unable or unwilling to prosecute transgressors. ICC jurisdiction will not apply when a state genuinely investigates and prosecutes those responsible for serious crimes. It will be in a sense a court of last resort – a final bulwark to ensure that those who commit heinous crimes do not go unpunished.

Canada has worked hard to ensure that negotiations towards a Court are as open and inclusive as possible. We welcome the participation of as many delegations as possible in the negotiations, particularly those from the least developed countries. It is essential that all voices be heard during the negotiations if we are to create an ICC that is truly universal. For this reason, Canada has contributed a total of \$125 000 to enable delegations from the least developed countries to participate in all phases of this process.

In the same spirit of openness, Canada has pressed for the participation of non-governmental organizations in this Conference. Civil society has played an important, constructive role in getting us to this stage, and in building support for an ICC. In recognition of this partnership, Canada has funded the attendance of six NGO representatives at the Conference. In addition, two NGO advisors are here as part of the Canadian delegation.

All the players are present. The stage is set, thanks to the hard work undertaken by you and many others during the preparatory phase. To succeed now, we need only two things: clear-headed resolve, and political will. Resolve to cleave to fundamental principles, without getting bogged down in details, and the will to start forging a new set of tools and institutions to respond to the needs of a new era.

The ICC will have pride of place amongst these new institutions. The international community should not wait for another catastrophe before establishing a permanent body mandated to respond to the atrocities that so often accompany armed conflict. As one century draws to a close, the creation of the International Criminal Court would be a fitting legacy for the next century. Let us seize the opportunity to create a legacy for peace – to make the global village a human, humane place.

Thank you.

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Statement

98/46

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NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE FOREIGN POLICY ASSOCIATION

"THE LANDMINES CAMPAIGN IN CONTEXT"

NEW YORK, New York
June 19, 1998



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Last December, representatives of 122 countries gathered in Ottawa to sign a treaty banning anti-personnel mines. Watching them were representatives of some 30 observer countries, the UN, international and non-governmental institutions and organizations, the international media, as well as landmine survivors. The signing conference was unlike any other international meeting I had attended. In an atmosphere of equal parts celebration and dedication, a new form of diplomacy seemed to be emerging.

Was the landmines campaign the sign of a sea change in international relations? Certainly it is very much a product of its times – of the profound recent changes that are transforming the international landscape. Before addressing the context and broader implications of the campaign, however, I would like to outline the events of the campaign for you briefly, as an important process in and of itself.

The Ottawa Process

What has come to be known as the Ottawa Process grew out of two related strands: a civil society campaign that took off in the early 1990s, and efforts by some governments to raise the profile of the landmines issue in the context of a review of the Convention on Certain Conventional Weapons (CCW). These two strands joined in 1996 at the first of a series of informal meetings in the margins of the CCW review between governments and NGOs [non-government organizations] supportive of a ban on landmines.

In December 1996, Canada hosted a formal meeting of 50 pro-ban governments, 24 observer governments and numerous non-governmental representatives. At the end of that conference, I challenged the global community to return to Ottawa by the end of 1997 to sign a convention banning landmines outright. The Ottawa Process was launched, and a period of intense work began.

A core group of committed countries – Austria, Belgium, Canada, Germany, Ireland, Mexico, the Netherlands, Norway, the Philippines, South Africa and Switzerland – started a process that culminated in the drafting and negotiation of the convention. As other countries joined, momentum built. The decision of Britain and France, following elections in both those countries, to join the ban campaign provided an invaluable boost to the process. In parallel with this process, we worked with non-governmental bodies to support a high-profile campaign to build grassroots support for the convention.

The result: in December 1997, 123 countries signed a convention to eliminate the use, production, stockpiling, and transfer of anti-personnel mines, more signatories than even the most optimistic supporters had envisaged at the start of the process. The ban represented a new norm in international disarmament. It was a major, though by no means final, step towards ending the

humanitarian crisis caused by these weapons of slow-motion mass destruction. And it was backed up by commitments of close to half a billion dollars U.S. from the international community for destruction of stockpiles, demining and assistance to victims.

The Ottawa Process was exceptional on a number of fronts. A unique coalition of governments, civil society and international groups worked closely together to make the convention a reality. The convention broke records for the speed with which it was developed and negotiated and for the number of signatories – and is now well on its way to breaking more records for speed of entry into force. I understand that in the next day or so, we will likely see the 20th ratification, putting us halfway to the 40 ratifications required for entry into force, as well as on the way to reaching that goal before the end of the year. Perhaps, most importantly, this Convention was the first international disarmament agreement to ban a weapon in widespread, active use around the world.

The Next Phase: Making the Ban Real

In Canada and elsewhere, attention is now focussed on the next phase: ratification, universalization and full implementation of the Convention. A central element of implementation is mine action: the urgent need to clear land of mines so that people can return to their homes and their livelihoods, and the crucial long-term issue of ensuring the rehabilitation of mine victims and their reintegration – including social and economic – into their societies and into productive, meaningful lives. Canada has allocated \$100 million over the next five years to these ends.

Within the Department of Foreign Affairs and International Trade alone, we will devote over \$6 million this year to supporting ratification and universalization, and to building the United Nations' capacity to co-ordinate global mine action. In co-operation with the Canadian military, we will use some of these funds to help others destroy stockpiles of anti-personnel mines. We will help our partners within civil society to develop their capacities in supporting and monitoring implementation. Canada will also be contributing to the massive task of clearing the millions of mines in the ground in Mozambique, Angola, Central America, Cambodia, Afghanistan, and elsewhere. As one of our first mine action projects, the Canadian International Development Agency will put \$10.5 million over three years into a program to strengthen mine clearance efforts in Mozambique.

As we work to expand support for the ban, the United States' recent announcement that it will sign the Ottawa Convention by 2006 was welcome news. It is a clear sign of the legitimacy and credibility which the Convention has acquired. I do, however, have reservations about the major condition that the U.S. government has placed on signing the Convention: that of finding

alternatives to anti-personnel mines. This is disturbing because it continues to cast the problem as a military one, rather than the humanitarian issue that it is. If this is truly what is standing in the way of the United States joining the Convention, I hope that it will commit serious energy and resources to finding those alternatives, the same kind of energy that it has committed to humanitarian demining.

The United States says that it cannot sign the Ottawa Convention at present because of its "unique responsibilities." I would submit that part of America's global responsibility is to recognize that the world has changed, and that the old ways of doing business no longer hold.

The Broader Context

The success of the Ottawa Process is in itself a clear indicator of this change. Exceptional as it is, the Ottawa Process did not spring out of nowhere. It emerged from the seismic shifts that have realigned the tectonic plates of world affairs since the fall of the Berlin Wall. It is, I believe, only the first example of an emerging international response to these changes and the longer-term trends that underlie them. After an initial period of paralysis in the face of the "new world disorder," the international community is starting to develop new tools and new ways of doing business.

Broadly speaking, I see four trends, and four responses to them, that gave birth to the Ottawa Process. The four trends are as follows:

- first, a change in the nature of conflict, with bitter internal wars that primarily target civilian populations taking over from traditional wars between states as the greater source of global instability;
- second, increasingly permeable international borders, through which people, information, goods, natural resources and money pass for good or for bad;
- third, with globalization and the information technology revolution, the emergence of a global commons – the Internet equivalent of Marshall McLuhan's global village; and
- fourth, a diffusion of international power at the level of both state and non-state actors, which has led to a democratization of foreign policy. This is due in part to the growing importance of what the American theorist Joseph Nye termed "soft power."

Responses to International Trends

These trends have already been described extensively by observers of international affairs, so I will not belabour them here. I would like to spend a little more time, however, outlining four

important aspects of the emerging international response to them. These four aspects are:

- an approach centred on human security;
- a renewed focus on humanitarian standards;
- new forms of partnership; and
- maximum use of soft power through a combination of old and new tools of diplomacy.

Foreign Ministers used to be concerned above all with the security and integrity of the state. Increasingly, however, as borders become porous and the Cold War standoff is replaced by a multitude of intra-state conflicts, international decision makers deal with issues that directly affect people's daily lives. Whether the focus is international crime or transboundary pollution or human rights abuses, our basic unit of analysis and concern has shrunk from the state to the community, and even to the individual. It is in response to these developments that a "human security" approach has emerged, one which formulates security goals primarily in terms of human, rather than state, needs.

In this context, international humanitarian standards and humanitarian law take on a new importance. As internal conflicts increasingly target civilians, the old standards regarding use of certain classes of arms and treatment of individuals in times of war no longer provide sufficient protection.

The landmines campaign shows how, by looking at a problem through a human security lens, we can apply the basic principles of humanitarian law in a new area to address a severe humanitarian crisis. The campaign started from the premise that the lives and limbs of the millions of civilians take precedence over military and national security interests. On this basis, we were able to establish a new norm in international disarmament: an outright ban on landmines, on the grounds that risk of severe harm to civilians was inherent to this class of weapon.

If we focus the human security lens on other areas such as conflict prevention, environmental protection or human rights, the inadequacy of existing tools of international diplomacy becomes clear. In Rwanda and in Bosnia, for example, the international community was unable to respond effectively to complex internal conflicts. Based on the lessons learned from these failures, it is working to develop new approaches, so far with mixed results.

One positive outcome has been the development through creative ad-hoc means of new co-operative approaches to human security problems. Perhaps the most striking aspect of the Ottawa Process was the unusual and successful partnership forged by governments, international organizations, and civil society.

Dialogue, lobbying and outreach between governments and civil society on international issues are not new. What was unusual about the Ottawa Process was that governments and civil society worked directly together as members of a team, with remarkable success. The process was open to all – NGOs, governments, the Red Cross, even individuals – and hostage to none. The only requirement to join was the acceptance of a single, unshakeable bottom line: that the only way to deal with landmines effectively was to ban them outright.

A good deal of attention has been paid to the non-governmental members of the coalition. Deservedly so, since they played a crucial role, recognized by the awarding of the Nobel Peace Prize to the International Campaign to Ban Landmines (ICBL) and its co-ordinator Jody Williams. But governments had an equally important, if sometimes less visible, role to play. The real key to success was in how the players joined forces to work together.

As the Ottawa Process moves into its second phase, this remarkable "coalition of the willing" continues to develop and thrive. Donor nations are working to co-ordinate demining and victim assistance efforts, and to create synergies with the military, with NGOs and with local populations on an unprecedented scale. This work may have significant long-term impact in terms of improving donor co-ordination in development assistance more generally.

It is through implementation that the special nature of the landmines Convention becomes apparent: it is much more than a simple treaty to control or ban a weapon. Instead, it provides a detailed, unambiguous framework for a full range of integrated mine action. Thus, the money pledged to support implementation is not simply increased funding to support "business as usual." Every time we take an initiative, we first ask ourselves: does this help us implement the Convention? Does it fit into our framework for co-ordinated universal action that transcends artificial barriers between humanitarian, development and disarmament goals?

It is clear that we must mobilize more resources for mine action, but in doing so we must assure our taxpayers and supporters that this will be money well spent. This requires that we rapidly learn and apply the lessons of the past five years of mine action. One of the strengths of the Ottawa Process was its ability to link the local to the global. As we work to ensure that the Convention becomes a real engine for change in the lives of those affected by landmines, we cannot lose sight of the tremendous moral, political and financial support that the grassroots of this movement can provide to our collective efforts.

The landmines coalition was certainly unusual, but why was it so successful? In large part, I believe, because it combined old-style diplomacy with high-tech advocacy to make maximum use of its soft power resources.

The governments within the core group of the coalition did not include the larger powers, but respected countries from across the range of the traditional hard-power pecking order. In the past, these countries would have been limited in acting as honest brokers by the rigidities of Cold War alliances and divisions. In the current more fluid international situation, however, the core group could use its skills in communicating, negotiating, mobilizing opinion, working within multilateral bodies and promoting international initiatives to achieve the outcome we wanted.

The coalition was setting the international agenda and exerting international leadership in the face of lack of enthusiasm or even outright hostility on the part of some larger powers. This was soft power in action.

How did we do it? In part through good old-fashioned diplomacy: a barrage of phone calls, letter, demarches, corridor discussions, informal consultations and formal negotiations at every level from heads of government to junior officials. In part through using traditional tools in new ways: for example, through an extensive series of regional conferences to raise awareness and build support for the ban, sponsored by governments with the ICBL and the Red Cross. And in part through a high-tech advocacy campaign of the type not usually associated with the staid world of foreign policy.

The late Princess Diana played an invaluable role in bringing the landmines campaign into a million living rooms to build understanding and support. At the same time, the coalition used videos, newsletters, cell phones and the Internet to build support for a ban within governments and civil society. If you are interested in this aspect of the campaign, I would encourage you to visit the special landmines Web site established by Canada entitled "Safe-Lane" (www.mines.gc.ca). We used this site to broadcast the proceedings of the signing conference in all UN languages in real-time audio – another first for the Ottawa Process.

Future Prospects: A New Diplomacy?

The Ottawa Process is relatively new, and it is still evolving. I believe it is a positive indicator of a new type of diplomacy suited to a new era, but I do not want to overstate the case. The proof of the process lies in the success of the next phase of the landmines campaign – entry into force and implementation – and in the use of these new tools in other areas.

Among the prime human security concerns where a similar approach could prove useful are small arms proliferation, children's rights, including the recruiting of child soldiers, human rights more generally, and the need for a permanent International Criminal Court (ICC). I have just returned from Rome, where I attended the opening of the conference at which a decision on establishing an ICC will be made. In addressing the conference, I stressed that an independent, effective Court would be a key institution of the new diplomacy.

Such a Court would help to deter some of the most serious violations of international humanitarian law. It would help give new meaning and global reach to protecting the vulnerable and innocent. By isolating and stigmatizing those who commit war crimes or genocide, and removing them from the community, it would help to end cycles of impunity and retribution. Without justice, there is no reconciliation, and without reconciliation, no peace.

I also stressed that states need not fear intrusion by the ICC into their sovereignty. The principle of "complementarity" ensures that the Court will only exercise jurisdiction where national systems are unable or unwilling to prosecute transgressors. It will be in a sense a court of last resort – a final bulwark to ensure that those who commit heinous crimes do not go unpunished.

In an era of declining state autonomy and power, we face the question of who, ultimately, decides issues of international morality and legality. Individual states? The international community? A "global commons"? An International Criminal Court will help to resolve this dilemma by providing a respected, unbiased point of final appeal. If we can establish new norms – like the ban on anti-personnel mines – and new institutions, like the ICC – we will be laying the foundations of a new diplomacy focussed on human needs.

I know that there is scepticism in some quarters about the Ottawa Process and about the notions of soft power and human security more generally. Supporters of a realpolitik view argue that the end of the Cold War has simply returned the world to a balance of economic and military power. They may pride themselves on their hard-headed approach, but in fact it is they who are refusing to recognize that international realities have changed.

In a world where CNN brings every war into your living room, what use is military power alone if public opinion sharply restricts the circumstances in which it can be used? In a world where Foreign Ministers sit down to discuss global warming, hate propaganda and child labour, it is clear that zero-sum applications of hard power are not going to solve all the problems we face.

In my view, true realism lies in recognizing that addressing non-traditional problems requires new approaches and new tools. That the democratization of international relations is a reality, one to be applauded rather than resisted. Above all, that a new diplomacy is urgently required to address the challenges and opportunities of a new era.

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Statement

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NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE
NGO GLOBAL FORUM ON THE FIVE-YEAR REVIEW OF THE
VIENNA WORLD CONFERENCE ON HUMAN RIGHTS

OTTAWA, Ontario
June 23, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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It is a pleasure to welcome you to Ottawa in this year that marks two milestones in human rights:

- the 50th anniversary of the Universal Declaration of Human Rights; and
- the five-year review of the World Conference on Human Rights in Vienna, and the resulting Vienna Declaration and Program of Action (VDPA).

These two documents provide a road map for progress in human rights. Today I would like to share with you my views of how we can make rapid progress in following that map on the journey toward full implementation. One key to moving ahead quickly is seizing new opportunities for partnership. I would also like to outline for you some initiatives that Canada is undertaking as its contribution to the five-year review.

At the time of the World Conference, many worried that Vienna would divide rather than unite. They spoke of a clash of cultures, of Asian values and Western ideological imperialism, of fears that Vienna would dilute, not strengthen, human rights standards. They were wrong. The negotiations were difficult, but the result was a strong document that advanced the cause of human rights.

The Vienna Declaration represents the state of the art. The World Conference confirmed basic tenets, starting from the universality of human rights. But it also pushed the agenda forward in crucial areas including:

- the mainstreaming of women's rights;
- the interdependence and indivisibility of all human rights;
- disability as a human rights issue; and
- economic, social and cultural rights.

In many ways, though, the real sea change at Vienna was in process, not substance. The massive, intense and well-co-ordinated involvement of non-governmental organizations [NGOs] was one of the great accomplishments of the World Conference. It meant that governments could no longer sit alone as the self-appointed protectors of human rights. And, most importantly, it meant that the voice of victims of human rights violations was clearly heard.

The partnerships forged at Vienna between civil society and like-minded governments were early examples of a new international dynamic. The collapse of the old bipolar world order, globalization, the information technology revolution – all these have changed the face of international relations beyond recognition. The ability of any one nation or group of nations to set the agenda is steadily dwindling. At the same time, the power of civil society to effect change is growing.

To have real impact in this new dispensation means using new methods. It means relying more on soft power. This is the power to co-opt, not coerce; the power that comes when "coalitions of the willing" form around shared goals and mobilize support across the international community. To be effective in the new international environment requires bold shifts in our thinking and in our tool kit. It requires a new diplomacy.

Perhaps the best example to date of this new diplomacy was the international campaign to ban landmines. Why? Because it showed the power behind a new kind of coalition. Like-minded governments and civil society formed a partnership of equals, united around a common set of core principles. Making maximum use of modern communications technology, we mobilized public opinion worldwide to support a total ban on anti-personnel mines. Public support convinced many governments that were hesitating to sign on to the ban. The result was a convention developed with unprecedented speed and success.

Many elements contributed to this success, but its foundation was partnership. There can be no doubt that by acting together, governments and NGOs achieved far more than could ever have been accomplished by either one acting alone. The landmines campaign was unprecedented, but I do not believe that it will prove to be unique. The scope for similar partnership and synergy on a range of pressing international problems is clear, particularly in the field of human rights.

Last week in Rome I attended the opening of the diplomatic conference on an International Criminal Court. Properly constituted, the Court would be a key institution of the new diplomacy, deterring or punishing some of the most serious human rights abuses. By isolating and stigmatizing those who commit war crimes or genocide, and removing them from the community, it would help to end cycles of impunity and retribution.

Canada has taken a strong lead within a group of like-minded countries that are pressing for an independent, effective Court. As in the landmines campaign, we have worked to establish a clear bottom line — a set of fundamental principles that would make for a court worth having. And we have worked to ensure that civil society is part of the process. Canada has funded participation by NGOs at the Rome conference; two NGO representatives are members of the Canadian delegation. While the scope of the campaign has been more limited than that on landmines, NGOs are having notable success in bringing the Court to public attention and in making the case for public support.

I am convinced that using a similar approach based on partnership, real progress is possible in turning the spirit of Vienna into a reality of our time. To do this means looking more

closely at the valuable lessons we have already learned about creating effective partnerships.

As a starting point, I believe any partnership must be based on having a common cause. This may seem self-evident. But it is important to draw a distinction between cases where governments and NGOs differ on the best approach to take – which need not be a serious impediment – and cases where there are fundamental differences over the objective.

A second principle is that those who have most stake in the outcome should be closely involved. The most compelling voices during the landmines campaign were those of landmine survivors. The most powerful advocates against child labour are the children who have suffered through it.

This is why Canada is committed to capacity building in the field of human rights to ensure that there are structures through which the vulnerable and the disenfranchised can find empowerment and express their voice. For example, we supported a conference in Victoria, British Columbia, entitled "Out from the Shadows," which brought together young victims of commercial sexual exploitation. Last week, at a meeting on the same topic at the UN, I announced that Canada will provide \$150 000 to fund joint projects with NGOs in six Latin American countries to help rehabilitate these young people and reintegrate them into society.

A third principle is that the strength of partnerships is found in their diversity. The agendas of the partners should be complementary, but they need not be identical. I am the first to admit that it is healthy for NGOs to challenge governments. The dynamic tension that results is often the key to finding creative but practical solutions. In other words, it is not only acceptable, but often productive, when we disagree. Another aspect of strength in diversity is a sound division of labour. Each partner in a coalition brings different capacities and working methods. While no NGO can bind a nation to a set of legal obligations, no government is as efficient as NGOs at mobilizing public opinion and action. We must each play to our strengths if we are to maximize our impact.

Lastly, effective communication is crucial, both internally and externally. Partners in a coalition must be able to exchange views efficiently so that they can respond rapidly to challenges and obstacles in a co-ordinated way. Externally, the coalition must be able to use communications and the media to mobilize grassroots support. With the spread of democracy in recent years, governments are more than ever before responsive to public opinion. Together, coalition partners can ensure that the message gets through at all levels, from heads of government to the grassroots.

These then would be, as I see it, the four basic elements of an effective government-NGO partnership on human rights: common interest, inclusive participation, strength in diversity and effective communications. Fine in theory, but what does it mean in practice? As a start, it means that the voice of civil society has to be heard. That is why the Department of Foreign Affairs and International Trade is supporting this conference: we believe that to be meaningful, any review of VDPA implementation must reflect the views of NGOs. We are relying on your deliberations here to provide a strong voice for the thousands of human rights activists around the world who otherwise might not be heard.

An effective review of Vienna must have two main thrusts. First is a review of the international human rights system to determine whether it can be reinforced and, if so, how. There have been major strides on this front in the last five years, notably the creation of the post of United Nations High Commissioner for Human Rights. The recent mainstreaming reforms undertaken by the UN Secretary-General, Kofi Annan, will ensure that human rights considerations will permeate all parts of the UN system. Much remains to be done, however, and work on strengthening the UN human rights system will be particularly intensive in the coming months. By putting forward concrete proposals and identifying priority areas for action, this Forum can have a real impact on the changes under way within the UN.

Canada is working to support this process on several fronts:

- by taking an active part in reform efforts at the UN;
- by helping to bring civil society into the review process at events like this one; and
- by means of bilateral dialogues. Our direct dialogues with China, Cuba and Indonesia are designed to draw them more fully into the international human rights system.

The second key component of the five-year review should be an assessment of whether states are living up to the commitments they made in Vienna. I regret to say that by and large, this is not happening. Some states, including Canada, have submitted reports to the UN, but the great majority have not. Nor has there been any widespread effort by civil society to review where countries have failed to meet their commitments. I hope this Forum is the opportunity for you to highlight key areas where greater efforts are required by governments, and that it provides a springboard for continued efforts to focus attention on these areas when you return home.

Today it is my pleasure and my privilege to officially launch what I believe will be an important tool in pursuing this second component of VDPA follow-up: the first annual global human rights report based on UN sources. *For the Record - 1997: The United Nations Human Rights System* has been developed by Human Rights

Internet with support and collaboration from the Government of Canada. This is the first time reports from across the UN human rights system have been consolidated in a single source.

The reports prepared by the UN are an important measure of whether countries are complying with their international human rights commitments, including those made in the VDPA. Drawing on these reports, *For the Record - 1997* will no doubt prove an invaluable tool for human rights activists. It will make it easier to monitor governments' overall performance on human rights and allow for more accurate and focussed criticism of government actions. I encourage you to examine the report during the conference and to use it to the fullest in the coming years.

A secondary objective of the report is to make the work of the UN human rights mechanisms and treaty bodies better known. To ensure the broadest possible distribution of the text, it is being made available in three formats: in bound volumes, on CD-ROM and through an Internet site. My congratulations to Laurie Wiseberg, Jan Bauer and the other members of the project team for their Herculean labour in preparing the report.

For the Record - 1997 is one example of what government and NGOs can accomplish when they work in partnership on human rights issues. I hope that there will be many more such examples in the years to come. If we are to keep the spirit of Vienna alive we need to find ways to work together - not just to influence the agenda, but to redefine it. The first step in doing this is to develop tough, hard-hitting recommendations that have a real impact on the UN's review of the VDPA. I look forward to working with you in partnership to make the Vienna Declaration and the Universal Declaration not just expressions of principle, but true guides for action.

Thank you.

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NOTES FOR AN ADDRESS BY THE
MINISTER OF FOREIGN AFFAIRS
THE HONOURABLE LLOYD AXWORTHY
AT A

LUNCHEON ON THE OCCASION OF A ROUNDTABLE ON
INTERNATIONAL CO-OPERATION IN CULTURAL POLICY

OTTAWA, Ontario
June 30, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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Your Excellencies, ladies and gentlemen, welcome to Ottawa! I hope that you have had productive discussions so far. I can tell you that the session I chaired this morning was very lively and very interesting.

At this morning's session, I said a few words about why I believe that culture is an increasingly important element in the conduct of foreign policy. I spoke of the changing times in which we live. Of how the pressures of globalization, the spread of democracy, and the information revolution are reshaping international relations. Of how, in this new situation, a country's intangible assets – its global image, its culture, its ability to rally others to its cause – are increasingly important levers.

I also spoke of the need to respond to the opportunities and challenges that this new situation presents: everything from the opportunities to reach foreign publics directly, to the challenges to national identity presented by an onslaught of external information and cultural products. Now, if you will permit me, I would like to outline a few of the ways in which Canada is responding. I hope that these will be a basis for further discussion and exchange on our various approaches to international cultural issues.

The foundation of the Canadian response is an integrated approach – integrated across institutions and across themes. The Canada Council, Téléfilm, the Canadian Broadcasting Corporation, Heritage Canada, the Department of Canadian Heritage and the Department of Foreign Affairs and International Trade [DFAIT] all deal in one way or another with international cultural issues. Our aim is to ensure that these issues are integrated across a wide range of activities.

Cultural activities have immense value in and of themselves, but in the international arena they are also closely linked to other important themes: the promotion of core values; public diplomacy, communications and the effective influence they can provide; the strengthening of national identity; and, at the same time, the development of appreciation of and openness to other cultures.

In other words, cultural relations are no longer simply the icing on the diplomatic cake – they are an integral part of the foreign policy tool-kit. In Canada, we have made the integrated promotion of culture and values the third pillar of our foreign policy. We promote Canadian values and interests abroad by showcasing the richness and diversity of Canadian culture on the international stage. This contributes to the positive image that Canada enjoys around the world, helps to build lasting and productive relations, and supports exports by Canadian cultural producers.

Within the third pillar, we are pursuing vigorously traditional activities of promotion and exchange. Budgets for cultural and academic relations were the only ones untouched by the

substantial cuts within DFAIT of recent years. At the same time, we are developing new approaches.

Like the governments of many countries, Canada provides modest support for its artists to explore new ideas and new markets overseas. DFAIT supports 300 to 400 projects of this sort each year. In the performing arts alone last year, we supported 80 international tours, with almost 1100 performances in 42 countries, which in turn generated about \$13 million of direct economic activity. We provide funding to ten Canadian performing arts and film festivals to bring in foreign buyers. On the visual arts side, we invite up to 10 foreign museum and gallery directors to visit Canadian museums and galleries each year. The recipients of this support come from all parts of Canada, and from a cross section of our population, including Aboriginal groups and youth.

This support helps to expose our artists to new cultures and to share our best with the rest of the world. It also contributes to what has become a substantial sector of our economy. As part of our mandate for international trade, we also support the export efforts of our cultural industries. In 1997, exports of Canadian cultural commodities excluding film reached \$1.5 billion, double what they were in 1990.

Our missions have always played a key role in presenting Canadian culture abroad. Now we are renovating certain missions to serve even more effectively as high-tech, multifunctional platforms for the best of Canadian culture and information. We recently renovated and reopened Canada House in London as a high-profile, multipurpose facility to enhance awareness of Canada's cultural renaissance in the United Kingdom. The Canadian Cultural Centre in Paris went through a similar facelift and was reopened 18 months ago. Soon after the German government moves to Berlin, Canada will open its new mission in Berlin, with state-of-the-art cultural facilities. Information kiosks in the public areas of our Embassies abroad will allow people without an at-home Internet connection to learn about Canada and Canadian culture.

We have also made enormous efforts to enhance Canada's presence on the Internet. The Department has several award-winning Internet sites, where information about our programs and policies are easily accessible to interested Canadians and foreign nationals, including sites for our Youth International Internship Program and for the anti-personnel mines ban.

These are all important pieces of the cultural puzzle. But I have long felt the need for an overall strategy that would tie together our efforts in terms of information and culture in the international sphere. That is why I launched work to develop a Canadian International Information Strategy in December 1996.

As Minister Copps told our National Press Club earlier this month, Canada is among the most open countries when it comes to exploration of other cultures. Well over half the television programs we watch, the music we listen to, and the books we read are produced somewhere else. But we are a modest people, and do not do as good a job as we might in returning the favour, in sharing our culture and values and points of view with the rest of the world.

Polls indicate that people in Brazil, Japan and Kenya like us, but do not really know us. They think that Céline Dion, Shania Twain, Bryan Adams, Oscar Peterson and Jim Carey are Americans; that Canada's chief exports are wheat, fish and minerals.

They are surprised to learn that we are the world's second-largest exporter of television programs. Or that we are a leader in telecommunications, software development and animation. Or that Canadian engineering schools are second to none. These are a few of the reasons I initiated the Canadian International Information Strategy. I asked the Department to explore how Canada could use modern communications technologies to share our stories and experiences more effectively with the rest of the world.

What has emerged from our consultations with the private and the voluntary sectors, and with the provinces and other government departments, is the need for an international electronic presence for Canada. Don't worry, we don't plan to drown anyone else out! But we do want to be present in the thousand-channel universe. We want to continue reaching those who rely on radio for reliable information. And we want you to be able to reach us through the Internet.

More specifically, we envision a strategic combination of radio, television and the Internet. As a first step, Minister Copps and I have ensured that Radio Canada International — which has been Canada's voice abroad for more than 50 years — has the resources it needs to prepare itself for the 21st century. My officials have met with the Department of Canadian Heritage, and with leaders of the Canadian broadcasting industry, to start thinking about how we can disseminate identifiably Canadian television programs more widely, including programs in languages other than French and English.

On the Internet, we are planning to create an exciting and easily reached gateway to Canada, so that our friends in other countries can quickly and effortlessly connect to our artists, to our scientists, to our businesses, to our human rights activists, to our universities and colleges, to our Aboriginal communities. It will also be a space where your citizens and ours can interact on issues of shared concern: human rights, the eradication of

landmines, the protection of the earth's environment, and nuclear testing.

And we would also like to assist, if we can, NGOs [non-governmental organizations] and other civil society groups who would like to use new technologies to reach out beyond our borders, and share knowledge with like-minded groups in other countries.

The benefits of an integrated international strategy of the sort I have described will be felt at home as well as abroad.

The information revolution presents new opportunities to exert influence at the international level. But too rapid changes are also creating pressures on national cohesion. Supporting cultural expression abroad simultaneously strengthens the sense of national identity and pride in one's country.

International successes in cultural endeavours play strongly at home. It feeds a renewed sense of self-confidence and pride and strengthens a healthy sense of national identity. For Canada, which has often seen itself as being in the shadow of its superpower neighbour, an international appreciation for Canadian culture and cultural products reinforces a sense of distinctiveness and worth. It helps to create a greater domestic space for our artists.

Together, culture and communications have a powerful impact in this new era of global interaction. Modern communications technologies can overcome the constraints of distance and bring our citizens closer together. They also offer us new ways to celebrate our cultural and linguistic diversity. But it won't happen by accident.

We cannot stop the march of technology. But we can – and must – work together to gain the most from it so as to launch positive dialogue. In the "global village," we must communicate with our neighbours to the greatest extent possible.

Thank you.

Statement

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NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
ON THE OCCASION OF A LUNCHEON
HOSTED BY THE SEOUL FORUM
AND
THE KOREA-CANADA SOCIETY

SEOUL, Korea
July 24, 1998



This document is also available on the Department's Internet site:
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It is a great honour to address such a distinguished audience. Today, I would like to share with you my views on recent directions in Canadian foreign policy, particularly in the area of human security, and to highlight the many points of convergence I see between the international approaches taken by the Republic of Korea and by Canada.

As you know, our two countries share a close and special partnership. One sign of this is in the exchange of senior-level visits currently taking place: my own visit to Seoul this week and the visit of Pak Se Ri to Windsor, Ontario, for the du Maurier Classic golf tournament next week. If I may say so, I think Canada got the better deal out of the exchange – Ms. Pak plays a much better game of golf than I do, and she certainly seems to get a lot more television coverage. But I will do my best to live up to her high standard.

Actually, foreign policy in the last decade of this century warrants its fair share of television coverage, too. We live in exciting, but also deeply challenging times. These days, it seems that Foreign Ministers need the speed, flexibility and iron nerves of a champion athlete to keep up with the pace of international change.

Starting with the fall of the Berlin Wall, a series of unparalleled events have remade the international landscape into something we could scarcely have imagined a decade ago. Who would have imagined then that it would take only a few years for the iron curtain that had divided Europe for so long to shatter completely? That Nelson Mandela would become President of South Africa? That Kim Dae-jung would become President of the Republic of Korea?

The election of President Kim – a man legendary for his courage and his deep commitment to human rights and democracy – is a symbol of the wave of democracy that has swept the globe in the last decade. Through his far-sighted "sunshine policy" towards North Korea, President Kim is tackling one of the last remnants of Cold War tensions. He is preparing Korea for a new era of peace and reconciliation as the Republic celebrates its fiftieth anniversary. Canada shares his hope that the international wave of democracy and respect for human rights will at last reach North Korea's shores. Our policy of modest dialogue and humanitarian assistance to the DPRK [Democratic People's Republic of Korea] is directed towards that end. I should add that in keeping with that policy, the Canadian government announced last week a contribution of \$5 million in additional food aid to famine victims in North Korea.

Historic change on this sort of scale can never, of course, bring only good. As international borders become more porous, Foreign Ministers find themselves increasingly grappling with issues that directly affect the daily lives of individuals: international crime, environmental degradation, human rights abuses, and bitter

internal conflicts. Most recently, the Asian financial crisis has brought home the realities of the new global economy.

In my meetings today with President Kim and Foreign Minister Park, I assured them of Canada's continued willingness to assist Korea through these difficult times and to support your efforts towards economic reform. The rich bilateral relationship we enjoy is built on a strong commitment to mutual prosperity for our people. Canada was prompt in supporting Korea through its recent economic troubles with tangible financial assistance and continued open markets. We remain committed to a growing political and economic relationship.

It is particularly important that the international community address the severe human and social impact of the Asian financial crisis. At the last meeting of APEC [Asia-Pacific Economic Cooperation forum] Foreign Ministers, we agreed on the need to look at questions of social adjustment and human resources in the region. As a former Minister of Human Resources Development, these are issues I have a particular interest in. Now, with the financial crisis affecting the daily lives of millions of ordinary people, it is all the more urgent for us to work together to ensure that problems in financial markets do not result in further social unrest and human hardship. Canada is supporting work within the World Bank and the Asian Development Bank, as well as within our own bilateral programs, on this aspect of the crisis.

Be it the financial crisis or the effects of environmental pollution, these problems are felt acutely at a local level, but tackling them effectively requires co-operation at the regional, and even the global, level. It also requires new international approaches and, in some cases, new institutions. After all, the traditional structures of international diplomacy were not formulated to deal with problems that largely ignore state boundaries.

In light of these changes, Canada's foreign policy has changed also. I have made "human security" a major new focus: that is, the view that security goals should be primarily formulated, and achieved, in terms of human, not state, needs. When we took a lead in the campaign to ban anti-personnel mines, for example, our aim was to tackle the humanitarian crisis arising from the threat to millions of individuals posed by these weapons. Now we are working to improve human security in a range of other areas, in co-operation with like-minded governments.

In my discussions with Minister Park today, I outlined the Lycoen Declaration, which my Norwegian counterpart and I signed in May. This document commits us to tackling some of the human issues often overlooked by traditional approaches to international security: issues like the fate of children in armed conflict or forced into exploitative forms of labour; like the battle against

transnational organized crime; and the need for an International Criminal Court. Along with other like-minded states such as Korea, we want to work together to change the foreign policy equation. The old approaches to international security simply will not solve problems of the sort I have listed. Instead, we want to develop a new approach, by building international "coalitions of the willing" around specific shared goals and values.

Let me outline for you in a little more detail how I see this new form of diplomacy working in three areas: the campaign to ban anti-personnel mines; the battle against international drug smuggling; and countering human rights abuses.

The global convention banning anti-personnel mines is one of the very few areas on the human security agenda where Canada and Korea do not see eye to eye. I am sensitive to the special situation of Korea in this regard, but I would like nonetheless to outline for you Canada's thinking on the landmines ban, and the areas where I believe we can work together despite our different views.

The campaign to ban landmines was a response to the human security crisis that these weapons have caused. Its goal was to improve – or save – the lives of the many civilians threatened by these cheap, widespread killers. Those supporting the campaign do not deny that, in some circumstances, anti-personnel mines have a certain military utility. But we believe that this utility is far outweighed by the thousands of civilian lives and acres of land around the world that these weapons take year after year, long after the war in which they were sown is officially over. Moreover, in the course of the campaign, it became clear that the only way to end this mass destruction in slow motion was through a total ban on anti-personnel mines.

Since the signature of the convention banning anti-personnel mines, momentum towards a global ban has continued. To date, 127 countries have signed the Ottawa Convention and 28 have ratified it. We are well on the way to reaching our goal of 40 ratifications this year – and hence of entry into force of the treaty – once again breaking records for speed for an international agreement.

We continue to hope that the Republic of Korea will be able to sign the convention. But at the same time, we understand your need to ensure your defensive capabilities, given the volatile nature of the Korean Peninsula. As one of the countries that fought beside South Korea, Canada remains committed to a stable and secure Republic of Korea. We also applaud the measures you have taken to date to respond to the humanitarian concerns raised by anti-personnel mines. By declaring an indefinite export ban, and by placing all landmines within the well-defined and heavily guarded Demilitarized Zone, Korea has ensured that innocent civilians are not put at risk. I will be visiting the Panmunjom

myself tomorrow to see firsthand the situation in the Demilitarized Zone, including the deployment of landmines.

Nonetheless, the international community has created through the Ottawa Convention a new norm that all states, even those with difficult security environments, must move towards. Military forces around the world are adapting to the new reality that anti-personnel mines are no longer an acceptable weapon of war. Most recently, the United States has committed itself to finding alternatives to the anti-personnel mines it uses, and to signing the convention by 2006. We are convinced that the Republic of Korea will eventually be able to renounce anti-personnel mines safely, particularly given that the ban does not apply to mines triggered by tanks or other heavy vehicles.

The process leading to the signature of the convention was characterized by its openness and its inclusiveness. It was open to all, hostage to none. In that same spirit, we are ready to co-operate on mine action – de-mining and assistance to survivors – with all willing partners, whether they have signed the convention or not. Canada has pledged \$100 million over five years toward meeting the goals of the convention, and we are committed to ensuring that there is a co-ordinated international effort in mine action. I salute the contributions that Korea has made to the UN mine action funds to date. I hope that we will be able to work together in the future in this area. Some of the funds Canada is putting toward mine action will be used to support research on technology for humanitarian demining. We are also looking at acceptable and more humane alternatives to anti-personnel mines – an aspect that might be of particular interest to Korea.

For most of our citizens, thankfully, anti-personnel mines are only a distant threat. But other threats to human security come much closer to home. The international trade in illegal drugs and other illicit substances, for example, affects both our countries. This is truly the dark side of globalization – when teenagers in Vancouver are overdosing on heroin from Burma that has transited through a third country, with the profits laundered through a fourth.

This is an area where, in my view, regional co-operation in building innovative approaches can be extremely effective. Regional approaches allow us to tackle all stages of the problem in an integrated way, from the supply end through to the demand end of the equation. Korea has been at the forefront of regional co-operation on drugs, both under UN auspices and through your regular liaison meetings of international anti-drug officials. Korea and Canada co-funded a drug interdiction project in the Amazon region as part of a regional anti-drug strategy for the Americas. Two years ago, at my request, the issue was added to the agenda for discussions between Foreign Ministers from ASEAN

[Association of Southeast Asian Nations] countries and their dialogue partners. Much remains to be done of course, but by establishing regular regional dialogues, I believe we have taken an important step in the right direction.

If I were to point to one aspect of human security where there is greatest scope for co-operation between Korea and Canada, it would be on human rights. I have already spoken of our great respect for President Kim and for the important steps he has taken to further the cause of human rights both at home and internationally. We share with him the view that this is equally important both as an end in itself and as a necessary condition for sustainable economic development. Long-term economic and social growth require solid policies and institutions, built on a foundation of democracy, rights and justice.

I see growing opportunities for us to work together, starting from this shared viewpoint, to build the sort of new institutions and partnerships required to protect human security and human rights in a changing world. In this context, I applaud President Kim's recent announcement of plans to enact human rights law in Korea and establish a national human rights commission. Canada will be following closely these important developments.

Just before coming to Korea, I was in Rome where, as you are no doubt aware, lengthy negotiations to establish an International Criminal Court ended in success. I am very pleased at the outcome of the negotiations in Rome, which approved the creation of an independent and effective Court. This body will act as a court of last resort, to ensure that those who commit the worst human rights abuses – genocide, war crimes and crimes against humanity – no longer do so with impunity. Canada and Korea, as members of the like-minded group, worked long and hard together to ensure that this body is a court worth having. We can be proud that we have played a part in the founding of a key new international institution, and that in the process, we have developed creative tools that will serve us well as we tackle other challenges ahead.

The establishment of the International Criminal Court and the signature of the convention banning anti-personnel mines are clear signs that we can make progress in tackling human security problems – if we are willing to be bold, and to undertake a new style of diplomacy. Now the international community is turning its attention to other pressing human security problems as well, as attested by recent international conferences on child sexual exploitation, on the illicit drug trade, and on small arms and light weapons.

This is not to say that the old problems of "hard security" have disappeared. We have only to look north to the Demilitarized Zone, or west to where India and Pakistan have been testing nuclear

devices, to recognize this. The latter is an issue of grave concern to both our countries, and one that will no doubt figure prominently at next week's meeting of the ASEAN Regional Forum. India's actions have undermined thirty years of successful management of the nuclear non-proliferation regime, and constitute a serious threat to international and regional security. We cannot allow this to be the start of a new arms race in Asia.

Korea and Canada have an excellent track record in co-operation on the traditional security agenda, one that I hope to see continued. We share the same goals and approach to peacekeeping, and, in fact, a Korean was the first foreigner on the staff of the L.B. Pearson Peacekeeping Centre. We are very pleased to see a Korean filling the post of UN Assistant Secretary-General for peacekeeping. Since the early 1990s, we have expanded our activities to promote regional security, most recently through the arms control workshop held jointly last month by Canada and the Korean Institute of Defence Analysis.

Thus, the hard security agenda remains a serious concern for us, but in addition to, not in exclusion of, the requirements of the humanitarian agenda. Canada's desire for an improved security situation on the Korean Peninsula, for example, is matched by our concerns about the deplorable human rights situation in the DPRK. The DPRK government's unacceptable public denunciations of the International Covenant on Civil and Political Rights only heighten these concerns.

No doubt there will be further difficulties ahead. But I am confident that we can move beyond them. We can do so by applying the positive lessons we have learned so far:

- the importance of focussing on human needs in guaranteeing international peace and security;
- the need for a transparent approach that brings states and civil society together in open dialogue;
- the importance of new coalitions, be they regional or of like-minded states; and
- the willingness to build strong new norms and institutions where needed.

These are, in my view, key elements of a new diplomacy that addresses the human security challenges of our changing times. A new diplomacy that offers, I believe, even greater possibilities than before for co-operation between Korea and Canada on the international scene. The establishment of the International Criminal Court is only the first example of what we, in partnership with one another and with other like-minded countries, can achieve as we move towards the new millennium.

Thank you.

Statement

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NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE
INTERNATIONAL NGO CONSULTATIONS
ON SMALL ARMS ACTION

ORILLIA, Ontario
August 19, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



New Forms of Conflict

Anyone who has spent any time watching the television news in the last 5 to 10 years will have an uneasy sense that despite the end of the Cold War, war itself has not gone away. It has simply changed, and changed for the worse. Traditional wars between states have largely been replaced as the main source of global instability by long-term, low-intensity wars within states. These are often conflicts based on bitter ethnic and religious divisions that can end up destroying a state. Conflicts in which the main combatants are not national armies but terrorists, paramilitary militias or criminal gangs. Above all, conflicts that take place not on the battlefield but in the streets, with mainly civilian casualties.

In the face of these brutal and seemingly insoluble conflicts, the initial post-Cold War euphoria has disappeared. It has become clear that the international community lacks the tools, institutions and even concepts to deal with new forms of conflict effectively. It is urgent that we develop new forms of diplomacy, law and practice that are up to the task. Canada is determined to be at the forefront of these efforts to build a new framework for the management of contemporary conflict.

I am a realist — I recognize that we are only at the beginning of an arduous journey in this respect. But there are positive signs and reasons for hope. Governments, civil society, academics and the private sector are debating new notions such as human security and peacebuilding, and revisiting traditional views of state sovereignty. The newly established International Criminal Court will be a powerful body to pursue those who until now were able to commit war crimes and crimes against humanity with impunity. And we are developing important new tools, like the convention banning anti-personnel mines, to limit the human impact of conflict. We are on the track toward establishing a broader regime of rules and institutions that puts the individual, not just the state, under the focus of the international security lens.

Anti-personnel mines are far from being the only weapons, however, that take countless civilian casualties. Clearly, we must tackle the accumulation and proliferation of military small arms and light weapons if we want to help provide true security to civilians caught up in internal conflicts. That is why I have made military small arms and light weapons a priority for Canadian efforts in international arms control and disarmament, along with landmines and long-standing areas of concern, such as nuclear weapons and other weapons of mass destruction.

The Role of Small Arms

Why the focus on small arms and light weapons? Because they are the tools of the trade for non-state combatants. Cheap, easy to use and to transport, they are the weapons of choice in low-

intensity conflict. They have become the tools of the trade of drug smugglers, terrorists and criminals, corroding the fabric of civil society. I should stress here that I am speaking of military weapons only, not of non-military firearms legitimately held by private citizens.

The damage wrought by these military weapons is bound to increase. We are seeing a pattern emerge in the most intractable armed conflicts. Recurring cycles of violence, erosion of political legitimacy and loss of economic viability – all these deprive the government of its authority and its ability to cope with the accumulation, proliferation and use of small arms. The resulting "weaponization" of society fuels further cycles of violence, despair and, ultimately, state collapse.

The first step in breaking this vicious cycle is to recognize and understand a problem that until recently received little attention from diplomats and disarmament experts. One important development in this regard is the establishment in May 1998 of the UN Group of Governmental Experts on Small Arms, made up of experts from 23 countries, including Canada. Over the next year, it will report to the Secretary-General on progress made on the recommendations of the landmark 1997 report issued by the Group's predecessor, the UN Panel of Governmental Experts on Small Arms, the first-ever UN study on the issue. It will also outline further action that the UN and the international community might take. Ambassador Mitsuro Donowaki of Japan, who appeared before you earlier this week, has been elected to chair the Group. I extend my congratulations to him, and my best wishes in this important work.

Another significant step in raising international awareness and understanding of the problem was taken by Norway, when it hosted a meeting last month in Oslo of officials of some 21 countries, including Canada, to review developments and progress. Those attending recognized the complexity of the problem and the need for more coherent long-term efforts to provide multifaceted solutions. Participants at the Oslo meeting agreed that governments have a primary responsibility for addressing the problem, but that civil society and NGOs [non-governmental organizations] also make significant and highly effective contributions toward overall solutions. The latter was also an important lesson learned from the landmines campaign. Personally, I believe that civil society activism is the major factor in ensuring that governments actually take up the responsibilities that they have now acknowledged are theirs.

Canada has from the start recognized the key role of non-governmental experts and activists, including academics and members of NGOs. We have supported the creation of an international NGO Web site, Project PrepCom, for mobilization and exchange of information on small arms (www.prepcom.org). The

Canadian Centre for Foreign Policy Development has sponsored a series of meetings involving officials, NGOs and other experts, including conferences this year in Quebec City and Toronto.

Only last week the Centre hosted a meeting of non-governmental experts on small arms, as well as an NGO roundtable in Ottawa. The experts meeting stressed the importance of an approach that is integrated into broader foreign policy making and that combines regional and global perspectives. They also called for more research and exchange of ideas in this very new area of concern. The roundtable was an opportunity for Canadian NGOs to review these conclusions and provide further input in advance of today's meeting. They discussed how best to attack the root causes of the small arms problem, and provided valuable feedback on the small arms strategy and action plan prepared by the Department of Foreign Affairs and International Trade. And, of course, the Centre, along with the Department of Foreign Affairs Peacebuilding Program, has provided funding for your meeting here in Orillia – at which I hope to receive more useful feedback.

Controlling Small Arms: A Three-Pronged Approach

As our understanding of this complex problem increases, the international community is moving to the next stage: developing practical measures to end small arms proliferation and begin the process of disarmament. Canadian policy addresses the problem along three tracks, humanitarian action through peacebuilding, illicit trafficking and licit trade. Our initial consultations on small arms led us to the conclusion that only by pursuing balanced and comprehensive action along all three tracks can we hope to tackle the problem effectively. And that it is essential to combine local, regional and international action on each of these tracks. We need a full tool-kit – from grassroots arms buy-back projects to international conventions – to tackle this complex, multifaceted problem. This requires us to forge strong partnerships between governments and civil society, and between North and South.

Humanitarian Action and Peacebuilding

Perhaps the most pressing need is humanitarian action to help societies emerging from conflict that are awash with small arms. Unless former combatants are disarmed, demobilized and reintegrated into society, the risk of relapse into violence, or of the export of violence to other countries, will remain high. Disarmament and reintegration, including of child soldiers, are key priorities of the Canadian Peacebuilding Initiative, established two years ago by my colleague the Honourable Diane Marleau and me.

Using funds set up under this initiative, Canada is supporting a wide range of regional and local projects. These include projects

in Mali, Mozambique, the Horn of Africa, El Salvador and Nicaragua to buy back arms or to assist ex-combatants in reintegrating into society. We have also supported research, review and regional initiatives: everything from studies in Cambodia, Somalia, Mali, El Salvador and South Africa; to support for a UN Lessons Learned Unit; to a contribution to the proposed West African moratorium. This latter is an excellent example of innovative ways to link grassroots initiatives, regional solutions and international support. In what started as an arms buy-back program, Mali is leading work on a regional small arms moratorium in West Africa, with support from the UNDP [United Nations Development Program] and the OAU [Organization of African Unity], and funding from Canada, Norway, the United Kingdom and the United States.

Today, I am pleased to announce the latest of Canada's projects to curb small arms proliferation, a \$130 000 contribution from our Peacebuilding Fund, for a "Goods for Guns" buy-back program in El Salvador. This project, organized originally by several Salvadorian business people with the assistance of the Rotary Club, will support an exchange of weapons by former combatants for coupons redeemable against consumer goods. A first contribution by Canada to this program in 1996-97 proved highly successful. Canada is pleased to assist in its further funding, as a contribution to building an enduring peace in El Salvador.

Another priority area for peacebuilding closely linked to small arms is that of children in armed conflict. All too often, the guerillas attacking their fellow citizens with AK-47s or rocket launchers are children, recruited or pressed into the service of violence. Disarming them and reintegrating them into their societies requires special attention. Thus, CIDA [Canadian International Development Agency] has supported UNICEF programs to demobilize and reintegrate child soldiers in Liberia and Uganda. Under the Peacebuilding Initiative, we are supporting further research and advocacy in this and other aspects of the problems of children in conflict.

We are also working to ensure that the lessons learned from these projects are cycled back into the policy-making process. It is essential that the expertise that many NGOs have developed in the field be reflected in the planning not only of future peacebuilding projects, but also of regional and global initiatives. This meeting, and others planned for this fall's UN General Assembly and beyond, will keep the dialogue between and among governments and civil society going. As we learned in the landmines campaign, the new human security agenda can only be tackled effectively if we work together.

Of course, small arms are not landmines, and our approach must be tailored to the nature of the problem. I want to emphasize the particular importance of working closely with those countries

most affected by small arms proliferation. We should accept and encourage leadership from affected communities and governments, and provide the necessary resources to support home-grown local and regional efforts.

Illicit Trafficking in Small Arms

De-weaponizing societies will never represent a complete solution if the small arms taken out of circulation are simply replaced by new ones. Stopping deliveries of these weapons is no easy task. Grassroots efforts to improve governance and reduce corruption can help. At the same time, there is a clear need for broad-based regional and multilateral co-operation to establish international regimes for both legal and illicit flows of small arms.

A number of international initiatives are already under way to tackle illicit flows. The UN Commission on Crime Prevention and Criminal Justice has called for negotiation of an international instrument to combat illicit trafficking of firearms, as a protocol to a Global Convention on Transnational Organized Crime. G-8 leaders this year approved a set of principles that could be incorporated into such a protocol.

The OAS [Organization of American States] Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and other Related Materials, which Canada helped draft, and which we and 30 other countries of the OAS signed last year, is a particularly important initiative. The Convention provides a foundation for co-operation between OAS countries and acts as a useful precedent for negotiations in other international forums. In fact, it was explicitly referred to by the UN Commission on Crime Prevention and Criminal Justice in its recent work to address the issue of small arms. Within Canada, our efforts are now focussed on making the legislative changes necessary to ratify the OAS Convention as soon as possible.

In parallel with these efforts to tackle illicit trade, it is equally important to address problems surrounding licit trade. These include "leakage" from the extensive legal trade in these weapons between governments, and deliberate sales by governments to non-state actors.

Canada has been looking at ways to address the latter problem by enshrining in international law the principle that states should not engage in acts that inappropriately arm non-state actors, either directly or indirectly. This principle would hold that small arms and light weapons designed and manufactured to military specifications for use as lethal instruments of war are reserved for the possession and use of the armed forces. Non-state actors should not be armed and equipped as though they were armies themselves.

A Convention on Transfers to Non-State Actors

In advance of the Oslo meeting, I wrote to the foreign ministers of participating countries, proposing that they consider a global convention based on this principle, that is, prohibiting the international transfer of military small arms and light weapons to non-state actors. By acceding to a convention of this type, states would recognize their responsibility to make sure that such lethal weaponry does not wind up in the wrong hands. This proposal was one of several put forward in Oslo, but was noted as a significant possible step forward in dealing with the undesirable side-effects of licit trade. I am very glad to have this opportunity to put this same proposal before you today, and I look forward to your views on whether such a convention would be worth pursuing as one element of our efforts.

This is a sensitive and complex issue, which has raised concerns, principally in two areas, that I would like to address. The first relates to the definition of "military small arms and light weapons." Why are we restricting the ambit of the convention to weapons designed and manufactured according to military specifications, and excluding whole categories of "non-military" weapons, such as hand guns, hunting rifles, shotguns and even machetes?

The answer is simple. A growing body of data shows that military small arms and light weapons are overwhelmingly responsible for destabilization and casualties in internal conflicts — in particular, fully automatic machine guns and assault rifles, and hand-held grenade or rocket launchers. Non-military firearms are indeed used in violent crime all over the world, including in countries emerging from conflict. At the same time, they have many legitimate civilian uses. Curbing illicit uses of non-military firearms while permitting legitimate ones is best done through national legislation dealing with civilian gun ownership and police enforcement. The focus of a convention of the sort we discussed in Oslo would be explicitly on military small arms, as a major source of conflict, instability and human suffering around the world.

In a Canadian context, I would point out that the fully automatic assault weapons at issue in discussions of a possible convention have already been classified for many years as prohibited weapons under Canadian law. Thus a convention of this sort would not affect Bill C-68. This Act will not be changed or affected in any way further to the Oslo meeting or to our ongoing discussions on military small arms.

The other concern is that a convention of this type would deny arms to non-state actors opposing repressive regimes, while those regimes could legally arm themselves against their people. I would make two points in response to this. First, Canada does

not, as a matter of policy, advocate the arming of opposition groups in order to overthrow unpopular regimes. We believe that non-violent means are the best way to effect political change. Governments who signed the convention would effectively be recognizing that principle by doing so.

Second, many countries already closely control sales of arms to other governments. Canada has one of the strictest sets of controls in the world, one that we call on other countries to emulate. Before permitting any export, we consider whether the country is involved in military hostilities, is under UN Security Council embargo, or is implicated in human rights abuses against its own citizens. In fact, in the last two years, over 90 percent of Canada's military exports of automatic assault weapons went to the armies of only two European countries, Denmark and the Netherlands.

You may not be aware that every single export of offensive military equipment to countries other than NATO members and a handful of other close allies – everything from bullets to flight simulators – requires a permit that I sign off on personally. Yes, it is a lot of paper – about half of all the memos I receive. But I look at each one carefully, particularly the assessments of the human rights and overall political situation in the country in question, and of how the equipment will be used by the buyer. To ensure maximum transparency, we provide detailed public reports of all exports. Their format has recently been improved to make these annual reports even more detailed and clearer.

Conclusion

Putting small arms and light weapons on the international disarmament agenda, studying the problem on the ground, negotiating international agreements, disarming and reintegrating former combatants – all of these are steps in the right direction. It is encouraging to see how rapidly international awareness of the problem of military small arms has grown in just a few years. It is also encouraging to see that, as with anti-personnel mines, the NGO community is engaged and involved. I hope to keep on working closely with you in tackling this issue, and I hope that we can create the same sort of synergy between government and civil society that we did in the landmines campaign – even if the nature of the problem is rather different. In particular, I am very interested in hearing your views on the Canadian idea of a convention banning international transfers to non-state actors. Next month, as the international community gathers at the UN General Assembly, we will have further opportunities for consultations amongst governments and civil society.

Let us not fool ourselves as to the complexity of the problem, however, and the long road we have to travel. The defining image of the Cold War was of nuclear warheads aimed at one another across the Iron Curtain. We must do our utmost to ensure that the defining image of the 21st century is not that of ragged children aiming AK-47s at one another across a village street.

Thank you.

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Statement

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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO A MEETING OF THE MID-AMERICA COMMITTEE

"GLOBAL ACTION, CONTINENTAL COMMUNITY:
HUMAN SECURITY IN CANADIAN FOREIGN POLICY"

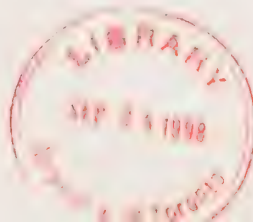
CHICAGO, Illinois
September 9, 1998

This document is also available on the Department's Internet site:
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Canada

It is a great pleasure to be here in Chicago once again. I would like to thank the Mid-America Committee for inviting me to address this distinguished and influential audience on Canadian foreign policy, and in particular on how Canada sees itself within the North American community.

In a previous speech I quoted an article comparing the U.S.-Canada relationship to that of Ralph and Alice Kramden in *The Honeymooners*. Those of you old enough to remember that show will know what I mean. We may complain and squabble sometimes, we may take one another for granted, but beneath this lies the closest and deepest relationship possible between two sovereign nations.

Even such a close partnership is not immune to change, however, particularly as the world changes dramatically around us. Since the fall of the Berlin Wall, the course of world affairs has been radically altered. And we have only to look at developments over the last few months to see that the shock waves of that watershed event are still being felt. Change of this magnitude affects us all. It brings once-distant foreign policy concerns to our doorsteps, and it challenges us to develop new tools, new ideas and new institutions.

The Concept of Human Security

It is in this context that we have been rethinking and retooling Canada's foreign policy. One of the most significant developments we have focussed on is the growing importance of human security issues on the world agenda. These are international issues that strike directly home to the individual: the threats posed by illicit drugs, terrorism, environmental problems, human rights abuses and weapons proliferation.

Whether one sees these as the dark side of globalization or simply as pre-existing problems that have gained new prominence with the end of the Cold War, they have become the daily concern of foreign ministers and governments. Our basic unit of analysis in security matters has shrunk from the state to the community and even the individual. Thus, looking at foreign policy through a human security lens produces a new set of priorities – everything from terrorist bombs to child labour and climate change – that most affect the daily life of individuals.

These problems largely ignore state boundaries. It takes action and co-operation at different levels – global, regional and local – if they are to be tackled effectively. This is no longer simply a matter for nation-states. New players on the international scene, including corporations, non-governmental bodies and regional organizations, have a growing role to play.

All this severely tests our traditions of governance and raises perplexing questions for the conduct of nation-states. We are all seized with the need to define and identify the role we intend to

play in this new dispensation. President Clinton has spoken of the United States as the "indispensable nation." I like to think that Canada is a nation that adds value internationally by exercising effective influence in areas of concern to us, as seen from the viewpoint of human security.

In the remainder of my remarks today, I would like to outline for you how this new outlook works in two areas of our foreign policy:

- Canada's approach to key global human security priorities such as landmines, small arms and the International Criminal Court [ICC]; and
- more specifically, our approach to continental policy in terms of building a North American community.

Global Action to Promote Human Security

Alarm and uncertainty in the face of the "new world disorder" have led some to advocate raising barriers against the outside world as a solution. In my view, this is exactly the wrong approach. The only effective response lies in confronting these problems and co-operating to address them, not in isolationism. What has this meant in practical terms for Canadian foreign policy? We have brought a more concerted focus and greater activism to bear on some of the key human security problems.

Perhaps the most high-profile example of this is the campaign to ban anti-personnel mines. Following an unprecedented partnership between governments and civil society, in December 1997 in Ottawa, 122 countries signed the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction. Since then, eight more countries have signed. The Convention sets a new norm in international disarmament. We are currently at 37 ratifications, including the United Kingdom, and expect to reach the 40 ratifications needed for the Convention to enter into force this fall – breaking all speed records for an international agreement.

Signature of the Convention was a major, though by no means final, step toward ending the humanitarian crisis caused by these weapons of slow-motion mass destruction. The Convention is not just a piece of paper or a statement of high ideals. By signing, countries agree not only to ban use, production and transfer of anti-personnel mines, but also to destroy existing stockpiles, and to do all they can to get mines out of the ground and help survivors. The international community committed close to half a billion U.S. dollars toward these latter elements of mine action. I welcome the role that the United States has taken as a world leader in mine action, through work under Ambassador Inderfurth in areas such as mine clearance and a Slovenian mine action trust fund.

It is true that some major states have not yet signed the convention, including the United States, China, Russia, India and Pakistan. The U.S. government's recent announcement that it will sign the Ottawa Convention by 2006 was welcome news, although we continue to hope that it will be able to do so sooner. After all, President Clinton himself called on the United Nations to pursue vigorously an international treaty banning anti-personnel mines "as soon as possible."

The humanitarian imperative to rid the world of these weapons that indiscriminately target civilians is as strong as ever. At the same time, the military usefulness of anti-personnel mines is more and more open to question. There are effective existing technologies which, if used in new ways, could largely replace anti-personnel mines. In addition, senior military figures have cast doubt on their usefulness as weapons of war. Retired General Norman Schwarzkopf and 14 other retired senior U.S. military officers – including two former commanders of U.S. forces in South Korea – now publicly support a ban.

The United States government has said that it cannot sign the Ottawa Convention at present because of its unique responsibilities. I would submit to you that part of America's global responsibility is to recognize that the world has changed and that the old ways of doing business no longer hold.

There is still much to be done to reach our ultimate, shared goal of a world without landmines. At the same time, awareness is growing that military small arms and light weapons also take a terrible toll on civilian populations. Small arms – which are cheap and easy to transport, smuggle or hide – are currently responsible for far more actual casualties than nuclear bombs or other weapons of mass destruction. They have become the tools of trade of drug smugglers, terrorists and criminals, corroding the fabric of civil society. I should stress here that I am speaking of military weapons only, not of non-military firearms legitimately held by private citizens.

This is a complex issue, one which we are only beginning to understand. But work within the United Nations and discussions in the international community, including civil society, are starting to outline the way ahead. Just a few weeks ago, I attended an international NGO [non-governmental organization] meeting, sponsored by the Canadian government, which discussed practical measures to end small arms proliferation and begin the process of disarmament. The Canadian government is addressing the problem along three tracks: humanitarian action through peacebuilding, attacking illicit trafficking, and controlling legal trade. We are pursuing everything from grassroots arms buyback projects in places such as El Salvador and Mali, to international conventions and agreements.

The Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Goods, which the United States and Canada signed last year along with 29 other countries of the Organization of American States, is particularly important. It not only provides a foundation for co-operation within our own hemisphere, but also acts as a useful precedent for negotiations in other international forums. Canada recently proposed consideration of a global convention prohibiting the international transfer of military small arms to non-state actors. This could be a useful tool for addressing the unfortunate side effects of legal trade in small arms.

This is a highly complex problem, and there are no shortcuts to a solution. But I believe it is clearly in the interests of the United States and Canada to address it. Otherwise, we risk finding ourselves helplessly standing by – or putting our own troops into danger – as teenagers aim AK-47s at one another across village streets in countries caught up in a maelstrom of violence and despair.

In these internal conflicts, civilians are prey not only to the devastating effects of landmines and small arms, but also to acts of genocide and war crimes. It is with this in mind that Canada joined other nations in pressing for an International Criminal Court. As you may be aware, the international community recently agreed to establish a permanent court to try those accused of the most serious crimes recognized in international law, namely genocide, crimes against humanity and war crimes. The Court will take jurisdiction only where national judicial systems fail to investigate these crimes. The Court would be able to bring to justice the Pol Pots of this world – those who have committed the most horrendous atrocities but enjoy impunity because their government is unable, or unwilling, to bring them to justice.

I know that the U.S. government has strong concerns about the ICC as currently constituted. It fears that the Court could bring U.S. soldiers before it on frivolous, politically motivated charges. But a close look at the agreement establishing the Court shows that there are very strong safeguards to address these concerns. The Court can only deal with the most serious crimes of international concern, and only where states have failed to investigate or deal with those crimes. Any state that diligently investigates and prosecutes those responsible – which the United States surely would – will thereby ensure that the ICC will not take up these cases. The Court's prime focus will be cases where the authority of the state in question has collapsed, or where states themselves have committed these extremely serious crimes. In addition, ICC prosecutors will be professionals whose work will be subject to the extensive checks and balances established in the Court's statute; these are specifically designed to screen out frivolous complaints.

The United States had a very positive impact on the ICC negotiations, ensuring that we have a Court that will not only be independent and effective, but that will also be credible and responsible. With a Court of this nature, I cannot imagine any situation under which American soldiers would find themselves indicted on political charges of dubious value. What I can see is a Court that would allow the United States and Canada to fulfil key international aims in terms of the rule of law. For there to be true international rule of law, no country and no individual can be exempt. Once we start asking for exemptions, however well-intentioned, we fatally undermine the basic principle that all must be equal before the law. I very much hope that we will be able to work together in the coming months to address the concerns of the U.S. government without diluting the effectiveness of the ICC.

Building a North American Community

The emerging human security agenda – be it landmines, small arms or war crimes – requires not only increased global co-operation but also a rethinking of regional co-operation. At the moment, Canada, the United States and Mexico are all dealing separately with issues such as crime, drugs and terrorism – sometimes in ways that have the unwanted side effect of raising new barriers along our borders. The question then becomes, can there be a common North American response to human security issues? How does North America fit together, and how does North America fit in globally in this era of change?

If we can get North American co-operation right, not only will our own countries benefit but we would provide an important model of regional co-operation in a fluid and uncertain world. This would be an alternative model to that presented by the European Union, for example, in that it would be institutionally much lighter and would draw together economies at different stages of development.

We have a long way to go, however, before we achieve that level of finely tuned co-operation. To date, much of our attention has been focussed on North American free trade. Trade and economics are, of course, a key element of the partnership between Canada, Mexico and the United States. Since the NAFTA [North American Free Trade Agreement] came into effect in 1994, North American trade has increased by 65 percent. The resulting jobs and economic opportunities are vital to the well-being of all three countries.

Our success in liberalizing trade through the earlier FTA [Canada-U.S. Free Trade Agreement] and the NAFTA has set an international standard. An unequivocal American commitment is essential to maintaining our leading role. The danger of losing direction at this critical juncture can hardly be overstated. It

could mean losing a historic opportunity to build bridges to newly emerging regions such as Latin America. Canada is ready to move ahead with key trading partners in South America, the Caribbean and Central America in order to create a framework for a more open and predictable trading system in the hemisphere. We hope that the United States will be marching side by side with us in this endeavour.

The international trade agenda is both full and potentially divisive. Over the next few years, the World Trade Organization will address issues such as agriculture and trade in services – issues that will task our ingenuity and test our commitment. At the same time, we will need to continue building on the NAFTA to create and sustain the conditions for growth and competitiveness. We need to look more closely at border operations, trade and transportation corridors, and labour mobility to keep the NAFTA on the cutting edge.

Important though this is, it is only one aspect of building a North American community. Globalization means more than simply freer trade. As ideas, people and money flow more and more easily across our borders, it is becoming clear that what happens in one country affects all aspects of daily life in the others. We have a host of common concerns which we need to address together, but many of the mechanisms we have developed piecemeal over the years are simply out of date or not up to the task. We need to update our shared instruments and institutions to deal with challenges across a broad spectrum: everything from our shared natural environment to movement of goods and people, and to education and human resources.

The challenge is not simply to co-operate more effectively, although that is demanding enough in itself. We need to look ahead and develop a vision of what we want a North American community to be. And in doing so, we have to deal with the tensions inherent in globalization. This means developing a sense of "North Americanness," while at the same time preserving our separate national identities.

For Canadians, culture gives a sense of our shared identity as citizens and represents a core component of our collective vision as a nation. Americans and Mexicans also have their own sense of what constitutes culture and cultural identity. The challenge, then, is to develop a North American "footprint" that treads lightly enough so that it does not crush the existing landscape formed by our distinctive histories and cultures.

Greater co-operation and co-ordination in education, research and culture are crucial not only in strengthening a regional sense of identity but also in understanding the regional nature of the challenges we face. For example, the Aboriginal peoples of North America share strong common links which could be deepened through

joint cultural projects. Linking up our universities and research institutes would allow for co-ordinated work on complex environmental issues that affect us all, such as climate change and the need for "green" transportation networks. It was in this context that I recently announced that Canada would support the establishment of an Alliance for Higher Education and Enterprise in North America by the North American Institute.

In parallel to this work of reflection, I believe there is great scope for practical work to expand bilateral and trilateral co-operation within North America across the range of trans-boundary issues that affect our daily lives.

Environmental and natural resource issues, for example, are fundamental to the well-being of all North Americans. Too often we wait until problems arise and only then look for ad hoc solutions. Canada's experience has been that if you wait until the problems develop – until all the fish are gone or the water tainted – it is too late. Effective stewardship of our shared environment means that we have to look ahead and develop solutions before problems become acute. It also requires us to be aware of the impact of our actions on our neighbours, and to take responsibility for that impact.

Nothing illustrates this point better than the example right on your doorstep: our shared responsibility for the Great Lakes. Millions of our citizens depend on this priceless resource for their economic, social and environmental well-being. Canada and the United States long ago recognized this through the establishment of institutions such as the International Joint Commission [IJC]. Since then, we have made tremendous progress. The Great Lakes are cleaner now than at any other time in the past 50 years. Yet the latest report from the IJC is critical of the slow rate at which improvements are being made. And that criticism is only in relation to the problems that already exist, never mind those that lie ahead. Integrated management of shared watersheds in North America will be an essential part of successfully facing the challenges of the 21st century.

Climate change is another area of environmental concern where North American co-operation has, I believe, great potential. A North American emissions trading arrangement could give the world a model for co-operation between countries at different levels of development. Implementing the Kyoto Accord commitments within North America would be an important display of global environmental leadership.

Another key area for North American co-operation lies in developing borders which are seamless and straightforward for legitimate trade and movement of people, but which present effective barriers to crime, terrorism and the drug trade. Bilaterally, the Shared Border Accord and the Open Skies

Agreement have met this dual challenge with remarkable success. Travel between Canada and the United States has increased by over one third in less than three years under Open Skies. And we are working to make passage across the border even simpler through a nationwide in-transit preclearance program.

It is clear, though, that we still need to work on getting the balance right between ease of access and control. The ongoing debate over Section 110 of the 1996 U.S. Immigration Act is a case in point. Concerns about control on the southern border of the United States risked sideswiping our traditional ease of access to the north. When Secretary Albright visited Canada, we agreed that there was a need to review our bilateral institutions and to ensure better co-ordination of the existing web of agency-to-agency contacts. The real challenge, in my view, lies in looking ahead and preparing for the future. It lies in developing a vision of what we want our shared borders to be.

You may be aware of proposals that would radically alter movement within North America by establishing continental transport corridors. I think this concept warrants serious investigation. A "Murmansk to Monterey corridor" could significantly enhance North America's global competitiveness. Transportation corridors also offer major potential benefits for local communities, if they are developed with significant local input and in an environmentally sustainable way. Such "green corridors" would be the lifelines of an emerging North American community, and would serve as positive models of effective, sustainable regional co-operation. Getting there will be quite a challenge, given the many levels of government and interests involved. But if we get it right, we would be breaking new ground in effective governance and management of transboundary issues.

Conclusion

In an era when borders are dissolving, when the Internet makes global town hall meetings a real possibility and when companies join in complex international exercises in just-in-time delivery, governments often seem to be the ones left behind by change. Civil society and the private sector are in many ways far ahead of us in adapting to globalization. It is clear to me that the public sector has to catch up. Governments have an important role to play in adapting to these changes, in mitigating their negative effects and in taking advantage of the opportunities of a new era. To take up this role, we have to learn to work in new ways — to address pressing problems of human security through new partnerships with other governments and institutions, and with other sectors of society.

I have outlined for you today a broad range of issues, both global and continental, in which Canada and the United States have a shared interest in partnership. With a bilateral

relationship that is unique in its scope and depth, it is important that we rise to the challenge of updating and retooling this partnership, both for ourselves and for the international community as a whole. This will be part of our contribution to building a North American community for the 21st century.

Thank you.

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Statement

98/52

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE
ALLIANCE OF MANUFACTURERS AND EXPORTERS
AND THE GREATER HALIFAX PARTNERSHIP
"INCREASING PARTNERSHIPS
ON THE EASTERN SEABOARD"

HALIFAX, Nova Scotia
September 10, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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Thank you to the Alliance of Manufacturers and Exporters, and to the Greater Halifax Partnership, for your generous invitation to be with you today.

As you know, Halifax is named after Lord Halifax, the First Lord of Trade, and this city has always understood the value – and the necessity – of looking outward for commerce. During the last century, Nova Scotia Bluenose seamen, sailing far over the globe, developed one of the largest merchant fleets in the world.

So Halifax is friendly territory for an International Trade Minister!

This afternoon I would like to speak, very briefly, about the importance of trade to Atlantic Canada – particularly with New England – and some of the ways that we're working to enhance and facilitate that trade.

We meet today at a time of uncertainty and challenge. The situation in Asia and Russia, the volatile stock markets – all of these have challenged our courage and tested our patience.

To be sure, the recent past has caused disruption and even pain, but our challenge is not to look back in fear but forward with faith – to recognize the soundness of our policies and the correctness of our path.

Those policies work toward engagement, not isolation, and they involve the pursuit of free trade based on clear rules. They are policies that have paved the way for Canada to become what *Time* magazine describes as an "Exporting Superhero." And they are policies that have lifted our standard of living, lowered our level of unemployment, and created jobs and opportunities for Canadians from coast to coast.

No one understands the benefits of trade better than Nova Scotians. Your trade with the world has been rising at an annual rate of about 3.5 percent for the past five years, and there is no sign that it might slow down.

Much of this trade has been with the New England states. Shaped by a common history and culture and a common maritime experience, you have always enjoyed a vital economic relationship dating back to even before Confederation.

Last year, that relationship involved two-way trade worth nearly \$4 billion – most of which was exports from Atlantic Canada to New England. This is greater than Canada's two-way trade with our largest South American partner, Brazil.

And half of everything Nova Scotians sell to the United States goes to New England.

So yours is a relationship that is already working well. Now we need to make it even stronger. Especially in these challenging times, it only makes sense to play to our strengths, to solidify our relationship with our best customer, largest trading partner and nearest neighbour – the New England states.

One of the really exciting developments has been the changing nature of our trade with our American neighbours. While fish, lumber and energy still constitute the bulk of Nova Scotia's exports, there has been increasing diversification – into areas such as biotechnology, telecommunications and information technology.

We were reminded of the extent of the trend earlier this year, when Halifax-based NovaKnowledge published a report demonstrating that Nova Scotia is well positioned to be a significant player in the global knowledge economy.

The fact is that Nova Scotia companies are developing a reputation for excellence even as they carve out new markets for their products.

Many of the success stories you already know. One is Brooklyn North Software, a leading-edge Internet-related software company, which began in a local basement and now employs 15 people here in Halifax and another three in its new Boston sales office. Ninety percent of Brooklyn North's customers are located south of the border.

Then there's TACS Software Programming, a company specializing in enhancing large financial applications such as GEAC software on IBM mainframes. Its head office is in Johnstown on Cape Breton but it has another office in Farmingham, Massachusetts.

These companies, and others like them, have seized the opportunities that open access to the vast U.S. market. They have seen the great trends of globalization and found a way to exploit them right here along the Eastern seaboard.

Theirs is an example we must follow. Theirs is a path we must pursue.

We are also fortunate to have the other half of the trade equation – strong investment activity – taking place between the Atlantic provinces and New England. There are 75 Canadian affiliates in New England, including Fisheries Products International, McCain Foods and Irving Industries. And there are 95 New England affiliates in Canada, including Marden Wilde of Canada Limited and the biotechnology company Sepracor Canada Limited.

Now I know that many of you here today are already exporting. Some of you have even been honoured with a Nova Scotia Export Achievement Award or a Canada Export Award. And following my speech, I look forward to meeting many of you personally.

But for those of you who have not yet taken the plunge, let me assure you that the water's just fine. The fact is that we have a lot going for us in the pursuit of new markets and new investment.

First, with respect to investment, Canada, especially the Maritimes, is one of the most cost-competitive areas in the industrial world. Last year, as you know, a study by KPMG compared the cost of doing business in 42 locations throughout North America, Europe and the United States.

Included were four cities from Atlantic Canada, and they earned the top four positions in the overall rankings. The best location for investment was St. John's, followed by Halifax, Charlottetown and Moncton.

We should also never underestimate the importance of quality of life to companies looking to expand their businesses abroad. Clean streets, safe neighbourhoods, the friendly feel of our communities — these are tremendous assets as we seek to attract investment here.

Atlantic Canada also has some of the finest educational institutions in the world, producing students who are trained to succeed in a competitive world. These finely trained minds are part of the highly skilled work force that is one of Canada's great assets when appealing to foreign investors. This fact was brought home to me when I met a group of investment experts on a recent trip to Chicago, who told me that availability, education and training, and the loyalty of the Canadian work force add up to an overwhelming advantage for us over the United States.

So when you put all of these factors together — a move to high technology, good training and education, and a quality of life second to none — you create a near-ideal environment for international investment.

When it comes to trade, we have already demonstrated that Atlantic Canadian companies can compete with anyone in the world. But we also know that exporting for the first time can be a bit intimidating, that you need knowledge, expertise and assistance.

And that's where governments — both provincial and federal — are working to help companies begin or expand their exporting activities.

As you know, Halifax is home to the International Trade Centre and other federal and provincial offices who together as Trade Team Nova Scotia work to provide export trade programs and services to Nova Scotia companies. So if you are looking for advice on exporting or how to break into new markets, Trade Team Nova Scotia is organized to provide the assistance you need.

And trade officers based in Nova Scotia are connected to the resources of our Canadian offices abroad. They can do a lot for you in Canada and when you are ready, connect you with Trade Commissioners located in international capitals who can provide you with location-specific information and introduce you to potential trade and investment partners.

One of our government's priorities is to encourage small and medium-sized enterprises [SMEs] to export.

Our improved trade performance in the first half of the 1990s created almost 40 percent of new jobs in Canada. And yet Canada's top 50 exporters account for almost half of our total exports. Fewer than 10 percent of small and medium-sized businesses in Canada are taking advantage of opportunities in international markets.

When you consider that most new jobs in Canada are created by smaller businesses, it is clear that we need to get more of them involved in exporting.

That's why on our Team Canada trade missions, we have focussed on small and medium-sized companies. On the 1998 mission to Latin America, for example, approximately 80 percent of the participants were from small and medium-sized enterprises.

Why this emphasis on SMEs? Because they are the most dynamic component of our economy. Because their size makes them nimble, their products make them competitive and their energy makes them successful.

This same attention to SMEs is also evident in our "New Exporters to Border States" program. (Because it's a government program and governments love acronyms, we don't call it New Exporters to Border States, we call it NEBS!) This program brings small and medium-sized companies on missions to the United States, encouraging and assisting them to find export opportunities.

Last year, 49 Nova Scotia companies were among the 121 companies from Atlantic Canada participating in NEBS missions across the United States. Twenty-five of these Nova Scotia companies attended NEBS events in Boston.

So far this year, 36 companies from Atlantic Canada have participated in NEBS missions, with 18 of them going to Boston.

So you don't have to start from square one. The International Trade Centre is here and so is NEBS.

In addition, the Canadian Consulate in Boston, headed by Halifax's own Mary Clancy, provides advice to hundreds of Canadian companies working, or wishing to work, in the New England markets. It provides liaison services for major trade shows such as the International Seafood Show.

It also stages special meetings to introduce Canadian businesspersons to venture capitalists and prospective business partners. And it produces market studies, maintains a Web site about New England opportunities and trains new companies to enter the export market.

Nova Scotians are also fortunate to have a provincial government that has been very active in trade promotion, with four trade missions to New England in the last six months alone.

Last fall, the provincial government was involved in the successful networking event called "Partnerships," which brought more than 400 companies and organizations from Atlantic Canada and New England together in Moncton to pursue joint venture partnerships, sales agreements and investment opportunities.

So all of these resources — provincial and federal — are at your disposal. We want you to be successful in your exporting efforts and we will do everything we can to help.

I began by saying that the present difficulties should not distract us from our larger goals, and that at times like this it is more important than ever to "stick to our knitting" by solidifying ties with our best and closest customers.

Tomorrow, I will be taking those same messages to Boston. I will remind our American friends of the advantages they enjoy in buying from, partnering with or investing in companies from Atlantic Canada.

I will remind them that the NAFTA [North American Free Trade Agreement] is working, and working well. And I will urge them to keep goods and people moving freely across a border that is open and hassle-free.

Many years ago, former Speaker of the House and Boston Congressman Tip O'Neill said, "All politics is local." The same is true of trade. Canada's enviable position in the global economy comes from the strength of its regions, the relationships they have developed and the competitive advantages they have nurtured — locally.

Today, Atlantic Canada has a superb opportunity to take something old and make it new again – to build on its historic links with New England and create a dynamic future for all of our citizens.

I look forward to working with you as we build that future together.

Thank you.

Statement

98/53

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NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE
NEW ENGLAND-CANADA BUSINESS COUNCIL

"INCREASING PARTNERSHIPS
ON THE EASTERN SEABOARD"

BOSTON, Massachusetts
September 11, 1998



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It is a great honour for me to be here today – not only because the city of Boston and the Bay State have made such a distinguished contribution to the history of your country, but also because I have the distinct pleasure of being Canada's first International Trade Minister of Italian descent to visit your city during the term of Mayor Menino!

Yesterday I had the privilege of addressing a similar business audience in Halifax, and I talked about the strong ties that have always existed between the New England states and the Atlantic provinces.

It is particularly appropriate that I should come directly from Halifax to Boston, because these two cities have enjoyed a special relationship dating back to the devastating explosion that tore apart Halifax harbour in 1917. The people of Boston stepped in quickly to offer their aid, and in appreciation Nova Scotia still provides a Christmas tree to the annual tree-lighting event here in Boston.

The fact is that New Englanders and Atlantic Canadians have had a very special relationship for a very long time. We know one another. We understand one another. And even though you continue to insist on playing football with four downs and a short field, we like one another.

Not surprisingly, those close ties of friendship have also led to significant links of commerce.

Two-way trade between New England and Atlantic Canada totalled nearly \$4 billion last year. Trade between Massachusetts and New Brunswick alone was over \$800 million.

There is also a significant investment flow between the two regions, with 75 Canadian affiliates now operating in New England, while 95 of your companies carry on business in Atlantic Canada.

And all of this is taking place within the larger context of a thriving relationship between our two countries. Two-way trade between Canada and the United States has doubled since 1989, when we signed the Free Trade Agreement [FTA] – the forerunner of the NAFTA [North American Free Trade Agreement]. And we are by far each other's largest trading partner, with nearly \$1 billion in trade crossing the Canada-U.S. border every single day.

In fact, you trade nearly twice as much with us as you do with Japan, and the volumes are increasing every day. This year alone, U.S. exports to Canada are up by about 10 percent over last year.

The relationship between the United States and Canada is remarkable and unique in that we have largely managed to insulate it from the ebbs and flows of instability found in the rest of the world.

Certainly, the recent events in Asia and Russia have again reminded us of how fortunate we are to have one another for partners.

But as in any close relationship, there is always the danger that our familiarity can breed complacency, that our proximity might make us unappreciative, and that our success in the past might obscure the potential for the future.

And what potential there is! Because for all our trade and investment with one another, we are still only scratching the surface of what could be. And that's especially true here on the Eastern seaboard.

For our part, Canada's federal and provincial governments have put in place a number of initiatives aimed at encouraging Atlantic Canadian companies to export to their closest neighbours and best customers.

We have, for example, introduced a program called "New Exporters to Bordering States" [NEBS], which arranges missions to the United States for our small and medium-sized companies. Last year, 73 companies attended events here in Boston.

There are also the provincial trade missions, which encourage connections and facilitate investment with American partners. Last fall, the "Partnerships" event brought more than 400 companies and organizations together in Moncton, New Brunswick, to pursue joint ventures and explore investment opportunities.

And, of course, our Consulate here in Boston – headed by my good friend and former parliamentary colleague Mary Clancy – is working tirelessly to introduce Canadian businesspeople to potential partners here in the United States, and to play matchmaker to New England companies looking for opportunities in Atlantic Canada.

So we are serious about building an even stronger long-term relationship with our friends and partners here in New England.

We want you to know that Canada is a superb place in which to do business: our quality of life is high, our work force is highly skilled, our economy is strong and our books are balanced.

Let me just quickly suggest five ways to build on the foundation we have already created.

First, I think we need to focus on the strength of our labour pool. No one in this room needs to be told that New England – particularly Boston – boasts several world-renowned universities. We, on the other hand, have had to be much more aggressive in

marketing Canadian institutions. Our selling point, as you probably know, is academic excellence at affordable prices.

Being able to offer such choices to American students translates into a win on both sides of the border because it improves the skills and education level of our entire region, making it more attractive to the type of outside investment that generates new wealth.

Take Halifax, for example. A study by the KPMG consulting group recently reported that the city has the largest supply of skilled labour in North America. What does that mean for business? It means that if I'm from a New England-based firm looking to set up a new R&D [research and development] facility on the East coast, I'd better give Halifax a closer look.

It also means that if I'm from a computer company in Boston trying to find new employees in one of the tightest labour markets in the country, I don't have to look very far.

Second, we need to get the word out that Canada – specifically Atlantic Canada – is not simply a resource-based economy any more. We have developed world-leading technology in telecommunications and mining, as well as in environmental and information technologies – and we may just have the solutions you're looking for. That's certainly the case in one of the region's most dynamic sectors, information technologies [IT]. Several months ago, our Boston consulate brought together senior representatives of the IT communities in both Atlantic Canada and New England, and formed an advisory board. I'm happy to report that in its short lifetime, the board has already taken on far more than advisory status.

A major joint venture between two of the board's members, the Learning Company of Cambridge and Maritime-based MT&T, is already a reality. In a wonderful display of ingenuity, the Learning Company will be renting multimedia educational software to children and their parents in Nova Scotia via an MT&T Internet connection. Not only does it mean more jobs and better service on both sides of the border; it also means that the combined strengths of the region have generated a new product and a new idea.

What we need to do now is extend that kind of creative thinking to other areas – such as financial services and biotechnology – that can lead to the same kinds of mutual gains.

Creative thinking must also be brought to bear on my third point, and that's the need to better utilize our existing transportation systems. About a month ago, the region got a real taste of the future when the largest cargo vessel in the world, the *Regina Maersk*, steamed into Halifax harbour. The enormous ship – over

three and a half football fields long – made only a few stops during its recent visit to North America. Why so few calls? Because it can only fit into a few ports on the East coast. And as you probably know, cargo vessels worldwide are getting larger.

While Halifax will be the region's only port that is large and developed enough to handle this kind of vessel, it's the size of the New England market that makes the port attractive to shipping companies. The *Regina Maersk* is the future of maritime shipping. As two separate regions, we aren't able to fully take advantage of the enormous savings that these larger vessels will offer us. Together, though, we can.

And when I talk about rethinking transportation links, I'm thinking not just about cargo but also tourism. New technologies are collapsing the distance between New England and Atlantic Canada.

The CAT, for example, is a high-speed catamaran ferry service from Bar Harbor, Maine, to Yarmouth, Nova Scotia; it makes the trip in under three hours. Northern New England is luring tourists from the Maritimes and vice versa; at the same time, as a region we are attracting visitors from around the world, who want to take in everything that the Northeast has to offer.

Fourth, we need to capitalize on the economic potential of developing the cleaner, cheaper energy of Sable Island. The Sable Island Offshore Energy Project [SOEP] is a prime example of recognizing a regional problem – namely high energy costs – and responding with a strategic answer.

While Nova Scotia is fortunate enough to be sitting on top of one of the world's largest sources of untapped natural gas, New England has the market size and energy demand to make construction of the offshore drilling rigs and pipelines cost-effective. Apart, we've solved nothing. Together, we've created an economic development project that will last for more than a generation – and we have also solved a large portion of our energy supply and pricing problems.

Fifth and finally, we need to expand the regional partnering events between New England and Atlantic Canada. These initiatives are perhaps the most productive channels for our dynamic small and medium-sized enterprises [SMEs] to make the connections they need in order to take their businesses to the international level.

You know, Tip O'Neill used to say that all politics is local. Well, the same is true of trade. It isn't something that happens "somewhere else" – it involves companies large and small right in our communities, creating jobs for our neighbours. So we need to encourage our SMEs to look abroad for new opportunities.

In all these areas – education, high technology, transportation, Sable Island and cross-border partnerships – we have seen how much better off we are working together than apart.

As I close, let me again thank you for your kind invitation. Any visitor to your beautiful city cannot help but be impressed by its rich history, by places and names woven into the very fabric of American history: Paul Revere, Boston Harbor, Beacon Hill and, of course, most important of all, the old Boston Garden.

But if your feet are planted firmly in the past, your eyes are set clearly on the future.

Today, I invite you to join with us in forging that future together – a future that benefits Atlantic Canadians and New Englanders alike; a future that combines our history with our hopes and infuses our present with a renewed sense of purpose.

I am confident that if we do that, the future we build will be brighter than we can imagine.

Thank you.

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Statement

98/54

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE
NGO FORUM ON THE INTERNET AND HUMAN RIGHTS

MONTREAL, Quebec
September 11, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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Last week, Grand Chief Phil Fontaine, the head of Canada's Assembly of First Nations, gave me a wonderful gift: a talking stick. It is a technology that goes back thousands of years, and when handed to a speaker it is supposed to imbue that person's words with courage, honesty and wisdom. Of course, it's not always guaranteed to work because much depends on the person holding the stick. For our First Nations people it carries great significance and responsibility: when the stick is in your hand you have the power to speak straight, to communicate what is good and to help in the search for truth.

I thought that bringing the talking stick to the opening of this conference made some sense and would perhaps carry the right message. After all, we are here to discuss how today's electronic, wired cyberspace technology can also be a talking stick bringing with it the capacity to speak straight, to contribute to the common good, and to advance the cause of human rights and commitment to that cause. We are here to examine how we can maximize the Internet's potential for good as a tool to promote and protect human rights – its use for human rights education, as a means of organizing human rights defenders and getting information on human rights violations out to the world. We are here to talk about a technology that is revolutionizing the world – changing the equations of power, challenging the conventional channels of communication, distributing and disseminating influence in the broadest possible fashion, to the point of democratizing the channels and getting rid of the gatekeepers.

The question posed is, to what end and for what purpose will the Internet be used? As with most technologies there is the potential for evil as well as good. For all the opportunity it represents, there is a dark side. Just this past week, an international operation led by Interpol arrested over 100 people in 12 countries involved in a child pornography ring. Racists and extremists use the Net to incite hatred. The drug dealers and the crime rings turn the Internet to their own advantage, using it to help overturn governments and corrode society. So part of the human rights and Internet issue is the question of how to prevent the abuse of this technology.

The information superhighway can transport the best but it can also transport the worst. Hate speech, child pornography and child prostitution have moved onto the Net and they have to be dislodged. The aim is not to control the Internet per se, but to take aim at those who would misuse it for criminal and other illegal activities that can hurt or harm. The Internet should not be a law-free zone. We are working with other governments, through the Organization for Economic Co-operation and Development, the Group of Eight leading industrialized nations, the United Nations and other international organizations to prevent the Internet from becoming a safe haven for conduct that threatens human rights. Canadian courts and legislatures have done ground-breaking work in defining when freedom of expression

must give way to criminal law sanctions to control obscenity, hate propaganda and child pornography. Our experience in the real world could guide us in addressing similar challenges in the cyberworld, where the consequences of hurtful actions are no less destructive.

In addition to better enforcement of domestic and international criminal laws, other means are being developed to address harmful and illegal content on the Net; these include self-regulation, software filtering, voluntary codes of conduct, and various forms of Internet watch activities to protect consumers and children. Next January in Paris, UNESCO will convene an international meeting of officials and experts on child pornography to co-ordinate a worldwide offensive against pedophile materials on the Internet.

The newly minted International Criminal Court [ICC] has helped give definition to a range of international crimes and a mechanism to enforce the international Rule of Law. The Internet offers a potentially powerful way to make the most of this new instrument. It can disseminate information on the court's objectives and offer a channel to gain support for the Court's work. It can provide access and links to sites with key documents, such as the International Law Web site. It could perhaps provide a cyberforum where experts can assist the ICC from their own desktops. In these ways the Internet can extend the reach and ensure the effectiveness of the Court.

Thus there is a serious agenda of potential actions to ensure that today's talking stick is not used to foment hatred and exploitation but is used instead to support those working against such evils.

Yet we should not be overly preoccupied with the dark side of the Internet because the technology has a mind-boggling potential to break through barriers and overcome political obstacles – to educate, inform and be an agent of political change. Putting information and communication technologies at the service of human needs means developing ways to deal with harmful and illegal uses, but we must take care that in doing so we do not destroy the very attributes that make these technologies such powerful tools for human rights advocacy in the first place.

The revolution in communications and information technology is taking place at the same time as two other global trends: increasing democratization and the growing importance of global governance. One of the key questions for this conference is how we can link all these three trends. Information technology is reorganizing international politics, giving power and influence to the disenfranchised, empowering new groups and reshaping the constellation of international players. The Internet is an unparalleled tool in a complex world where soft power –

influencing events by using attractive ideas, promoting shared values and partnership – is emerging as a way of pursuing our goals. I have seen first-hand the power of the new communications in the landmines campaign, where the Internet gave international civil society a new say in pushing forward shared objectives. Clearly, the new information and communications technologies are instruments for change. Our concern here is how to use them to achieve our goals of more democratic societies and better governance, with respect for the rule of human rights law.

Democratization does not happen simply by holding elections. Democratization requires an active, effective civil society. It requires citizens who are ready, willing and able to participate in the political life of their country, and who are not only permitted but encouraged to do so. The Internet has the potential to shelter and nourish opposition groups who are seeking democratic change under repressive regimes. It can help overcome the monopolies of state-controlled media. Governments are still coming to grips with this new phenomenon. Some have not fully comprehended it. Some are reacting out of fear, trying to seal off their populations from the connection and influence of the Net – an effort that frankly is futile.

In new democracies, the Net can increase democratic awareness and popular participation. Canada has supported the establishment of an electronic conferencing service which links up parliamentarians from nine South African provinces. This project is part of our efforts to help South Africa rebuild and reform its post-apartheid governance institutions.

The Internet also allows human rights defenders to educate, organize and get information about human rights violations out to the international community at the click of a mouse button. The reports of the UN Special Rapporteurs, including the Special Rapporteur on Freedom of Expression – a Canadian initiative – are now widely available on the Net. This helps the international community track violations and marshal condemnation of governments that violate the human rights of their citizens. The Web site of the UN High Commissioner for Human Rights allows complaints of human rights violations to be instantly transmitted to Geneva, where the human rights treaty bodies and rapporteurs can take urgent action to prevent further violations. Dozens of Internet mailing lists, Web pages, Usenet groups and other tools are springing up around the world to track human rights abuses. Urgent appeals and public campaigns in response to violations can be received instantly – and can prevent further abuses. When the interest of major television networks has cooled and moved on, the Internet can help keep the heat on, focussing international attention on ongoing human rights abuses.

A few examples come to mind. One is BurmaNet, where a network of volunteers in Thailand and Burma take original reporting from

inside Burma and post it on the Net. Or consider what happened in Serbia in the winter of 1996, when students were protesting the government's refusal to respect election results; they succeeded in circumventing state controls on the media by operating a Web site to get news to the Serbian and international community.

The potential of the Internet is limited only by the people who are able to take advantage of it. The Internet can only be a truly universal instrument for human rights if it is both equitable and accessible. Equity and accessibility are closely linked. Universal access, including targeted measures for marginalized groups, must be central to our efforts. If the Net is to serve human rights, it has to reach both urban and rural communities, developing and industrialized countries, women and men.

The Net will only be a half-developed tool if it fails to respond to the needs of half the world's population. During preparations for the Beijing Fourth World Conference on Women in 1995, we saw women's groups from North and South forging links over the Net, exchanging information, establishing coalitions and building bridges. The Beijing Conference launched a global dialogue on gender and the information revolution, and this dialogue will be crucial in building an equitable and powerful framework for human rights and the Internet. Young people, the most active Internet users, are also applying their energy and imagination to ensuring universal access. The Youth International Internship Program has supported the training of developing-country NGOs in the uses of the Internet. Since 1997, over 100 young Canadians have worked with human rights organizations, many helping to provide them with technology training including Web site creation, Internet research methodology and electronic publishing.

The examples I have cited demonstrate the power of the Internet to advance the cause of human rights. But they are just the beginning. We should continue to look for other ways to build on these successes, in particular by taking further advantage of the Net's interactive capabilities. To that end, the Department of Foreign Affairs and International Trade is looking at ways to adapt our own Human Rights Web site. We hope it already serves the needs of human rights defenders, students, academics and citizens interested in human rights. It is both an information and research resource and a reference tool through hyperlinks to a literal world of human rights information – including *For the Record*, a new annual report prepared by Human Rights Internet with the support of the Department, on the work of the United Nations human rights system.

We would like your ideas about how to make the Human Rights Web site function better for you, as people working daily to defend and teach about human rights. For example, we are considering creating, in partnership with civil society, an interactive

cyberforum where those concerned or affected by human rights issues could exchange information and views. We would want to take into account existing resources and work closely with you, the NGO community, and others in developing this project. I hope, therefore, that in your deliberations here you will consider the utility of such an idea.

The recommendations from this week's Conference in Montréal will be fed into the Canadian International Information Strategy [CIIS], a process I launched in 1996 to leverage Canada's strengths in modern communications in support of our foreign policy. Under the CIIS, we plan to develop a Canada Internet Channel. This premier Web site will showcase Canadian innovation and culture. It will engage others in the discussion of issues of importance to Canadians — issues such as human rights, disarmament and democratic development. And it will draw additional international attention to the work many NGOs are doing on the World Wide Web.

The Internet can be a powerful tool for human rights. Where human rights organizers once spent time clipping newspaper articles and organizing phone trees, now communication can be instantaneous and universal. International human rights standards can be made available to children around the world in order to help foster a global culture of human rights. Through the Net, governments can work in partnership with non-governmental organizations to provide human rights expertise and technical assistance. In this way, the Internet can work to close the gap between international human rights standards and practice on the ground. As a result, the old adage that says "The pen is mightier than the sword" can perhaps be updated for the 20th century to read "The mouse is mightier than the missile."

Through your discussions here, you will begin to tackle some very complex questions. How can the Internet be used as a positive force for human rights — for advocacy, awareness and urgent action in response to violations — while guarding against its use as a tool to spread hatred? I have no illusions about the difficulty of the issues facing us in conceptual, legal and practical terms. But today's information and communications technology has enormous potential to move the human rights agenda forward. We have only glimpsed the possibilities and begun to take a few small steps. With further imagination and ingenuity we can certainly transform this technology into the new millennium's talking stick.

Thank you.

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Statement

98/55

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE
INDUSTRY CANADA CONFERENCE
ON PUBLIC-PRIVATE INFRASTRUCTURE

OTTAWA, Ontario
September 14, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



Let me begin by thanking EDC [Export Development Corporation] for sponsoring this luncheon. Not only can the EDC help companies with export financing, but they can also put on a pretty fine lunch. And I want to thank Ian Gillespie and the others who I know have been slaving away in the kitchen all morning!

You know, we live in a time of great change. This summer, we were again reminded of how even our most cherished certainties can come under siege: Wendel Clark is no longer a Toronto Maple Leaf; Jim Hart is no longer a member of the Reform Party and, most disturbing, Ginger is no longer a Spice Girl.

It just shows that you can't take anything for granted any more!

But today, I would like to speak about another area of change — one which represents not upheaval but opportunity, and one we must embrace, not avoid. And that is the change taking place in how major infrastructure projects are being planned, financed, constructed and run.

Around the world a building boom is going on. Developing nations are investing about US\$250 billion every year on developmental projects, many of them in the area of infrastructure. And developed nations are investing in infrastructure to ensure and enhance their productivity in an increasingly competitive world.

In Asia — particularly China — tremendous efforts are being made to provide the infrastructure which will allow that region to assume its place as an economic superpower. Only 25 percent of the people in China have access to sanitation, versus 100 percent in Canada. The average person in China consumes 780 kilowatt-hours of electricity per year, versus 18 000 in Canada.

In closing this gap, it is estimated that close to US\$1.5 trillion will be required to meet Asia's growing infrastructure needs by the year 2005. That's one point five trillion.

And as governments there, as elsewhere, struggle with such major investments at a time when they are strapped for cash and burdened by debt, Public-Private Infrastructure (PPI) has emerged as the preferred way to go.

Indeed, the growth of the PPI market is truly astounding. PPI financing in developing countries has increased 13-fold in just the past eight years.

And the future looks even brighter: Over the next 10 years, the world market for infrastructure projects is estimated to be about US\$3 trillion. Of this, more than a third will be implemented with private sector participation.

In this explosive and expanding market, Canada must not be a bystander.

So this Conference could not be more timely.

Over the past few years, Canada has established itself as one of the premier trading nations in the world. But while we have become very successful international vendors, we have had less success as international project developers and owner-operators.

In particular, we have not converted our world-renowned expertise in areas such as telecommunications, environmental technologies, energy and transportation into significant involvement in the vast international marketplace for PPI.

In many ways, this is surprising. After all, infrastructure – at least public infrastructure – is something Canadians understand.

How many other nations have tunnelled through the Rocky Mountains, linked the Great Lakes in a navigable seaway, installed a communications system that spans a continent, or built mammoth hydro-electric dams in remote and challenging conditions?

The Global Competitiveness Report consistently rates Canada's infrastructure as one of the most competitive in the world.

But for all our expertise and experience with large infrastructure projects, the fact remains that we are not winning a significant share of the PPI market and the question is, why not?

Those of you in this room know the answers to that question better than I do:

- First, as a nation, we don't have a lot of experience with private infrastructure. Those of us in government – at all levels – have been slow to adopt the PPI model. As a result, our firms have not acquired domestic experience in bidding, structuring and financing infrastructure projects.
- Second, the relatively small size of our companies and their limited capitalization makes it difficult to absorb the high costs associated with these projects. Financing generally is a major impediment – and I know that you have discussed many aspects of that question in this morning's plenary.

Of course, there are a host of other reasons – or excuses – as to why we haven't done better. But frankly, I am concerned less with enumerating the problems we face than with finding the solutions we need.

The PPI market is simply too large and the opportunities too great to be forfeited through dithering. We must get our collective act together or risk being left behind by other companies – and other nations – more willing to exploit these new

opportunities.

To this end, we have to create more opportunities for companies to acquire experience with infrastructure projects at home so that they will be better placed to win PPI contracts abroad.

We already have some wonderful examples of this kind of public-private co-operation: the Fredericton to Moncton Toll Motorway, the Dartmouth Wastewater Treatment Plant and the Kingston Power Plant, to name a few.

We also need to find a way of differentiating ourselves from our competitors – and I like the suggestion made by the National Round Table on the Environment and the Economy that one way to do this would be by making Canada a leader in providing environmentally sound infrastructure.

We also need to have the leadership of organizations such as the Canadian Council for Public-Private Partnerships, which is doing such a great job of encouraging co-operative ventures.

More experience at home is important, but it's only a start. We also need to overcome the limitations of size and capitalization by making partnerships a central part of our approach, rather than an afterthought.

By partnering with other firms, companies can gain access to a broader base of skills, plumb a deeper reservoir of cash and acquire a greater ability to attract the debt and equity financing so essential to success.

There is an old saying that snowflakes are among the most delicate creations in nature – but just look what they can do when they stick together! We need to keep that in mind and combine forces with others. And this means not just joining hands with other Canadian companies, but with local firms and those from third-party nations as well.

In the area of financing, we need to challenge our banks and other financial institutions to step up and provide the support our companies need to succeed.

Some institutions, such as Newcourt Credit, are already making their mark on the international scene. There is also the Caisse de Dépôt du Québec, which launched an exciting initiative with the Asian Development Bank to create an Asian Infrastructure Equity Fund. Why can't our major chartered banks participate more meaningfully in the burgeoning PPI market?

Why should the major international financing arrangements be brokered out of New York or London? Why can't we develop this project finance and financial engineering capacity right here in

Canada? I think it's time to send a clear message to our banks: get involved, get imaginative and get busy.

Let me share with you a few of the ways that the government — and my department — are working to facilitate greater Canadian participation in global PPI projects. But let me be clear: I am not here today simply to boast of what we're doing. I'm here to solicit your advice on what we should be doing, or doing differently.

Through our trade commissioners, we are providing timely market intelligence on emerging opportunities in countries around the world. These commissioners are an invaluable resource; if you're not already using them, I suggest you do so. They know the players, they know the politics and they know the culture. These 800 trade experts represent your interests on the ground in some 130 embassies and consulates around the world.

We have also been trying to do a better job of co-ordinating our efforts better across various government departments. The Department of Foreign Affairs and International Trade, Industry Canada, CIDA [the Canadian International Development Agency], the EDC and the Canadian Commercial Corporation have all been collaborating in order to create a more coherent and integrated approach.

Through our Offices for Liaison with the International Financial Institutions, we have been connecting Canadian businesses with institutions such as the Inter-American Development Bank, the World Bank and the Asian Development Bank. These and other international institutions can be an invaluable source of support as well as resources.

CIDA has recently completed a review of its Industrial Co-operation Program in order to provide better support to Canadian firms during the developmental stage. Madame Labelle, the President of CIDA, will inform you tomorrow about a new financial instrument that will help in sharing the cost of the technical and financial engineering as well as expenses for legal services.

The EDC has in place a very active Project Finance Team to facilitate co-financing with commercial banks, capital markets, international financial institutions, and export credit agencies in other countries. EDC is also examining ways in which it could team with other equity partners to bring even more financial muscle to its structured and project finance efforts.

And CIDA has teamed up with EDC to strike an agreement which will allow Canada to join the Inter-American Investment Corporation — a development which will be of tremendous advantage to firms looking to participate in the dynamic Latin American market.

With all of these efforts, we are trying to encourage Canadian companies to pursue the exciting opportunities opening up in PPI – to tie private enterprise to public purpose. But as I said earlier, we know that we still have a long way to go.

What adjustments to current programs need to be made? What other activities could governments undertake to showcase Canadian capabilities abroad? What is the best way for us to pave the way, or to get out of the way?

To those of you who may be contemplating the PPI market, I would urge you to act, and act now.

New competitors – from emerging nations such as India, Turkey and Brazil – are now developing the engineering and consulting capabilities that have traditionally been our strengths, and they are bringing them to market at lower costs.

In the years to come they will be moving onto the world stage in greater numbers and with greater effect. So the competition is only going to get tougher.

Of course, none of these challenges, are insurmountable.

Nearly five hundred years ago, the great explorer Ferdinand Magellan reminded us, "The sea is dangerous and its storms terrible. But these obstacles have never been sufficient reason to remain ashore."

Like Magellan, we are also called to sail on uncertain seas, to face the future without fear and to conquer the unknown. Our objective is not conquest but commerce. And our greatest challenge is not to discover new lands but to summon a new determination – a determination to compete with the best, against the best.

Let no one doubt, PPI is a new ocean – and we must sail upon it. The obstacles, the challenges, the difficulties are not reasons to stay ashore; instead they are reminders of the dangers we face by doing nothing.

I am confident that Canada will remain one of the greatest exporting nations in the world – exporting not only goods but knowledge. And I am confident that Canada will continue to be recognized around the world not only for our natural resources but also for our resourcefulness.

I look forward to learning from you – and working with you – to make that happen.

Thank you.

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Statement

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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE
SWISS-CANADIAN CHAMBER OF COMMERCE



MONTREAL, Quebec
September 17, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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It is indeed an honour to be part of these wonderful celebrations of a truly historic achievement: the 150th anniversary of the Swiss Constitution.

Few nations are able to boast such a longstanding constitutional democracy. And few nations have been as close by inclination, if not proximity, than Switzerland and Canada.

Recently, our friendship has been very much in evidence as we shared your grief over the tragic death of the Ambassador to Canada, Daniel Dayer, and, of course, the terrible loss of life on Swiss Air Flight 111.

The wonderful people of Nova Scotia, who opened their hearts and their homes to the families of the victims, spoke and acted out of a sentiment felt by all Canadians, and it is our sincere hope that the warmth of their embrace provided some comfort to the Swiss people during those difficult days.

To this embrace, I add my personal condolences to the families of the victims and to the family and friends of Daniel.

As I said, Switzerland has always held a special place in the hearts of Canadians. We have watched the remarkable achievements of your country with great admiration. Switzerland is, after all, a nation whose scientists have won an extraordinary number of Nobel prizes; whose native sons include such international figures as political theorist Jean-Jacques Rousseau, author Johann Wyss and psychoanalyst Carl Jung. Nor should we forget that it was Switzerland that educated Albert Einstein!

I am glad to see that Swiss cultural exports continue with performers like Zaneth, Charles Papasoff, le Bel Hubert and Polar, all playing here at the "Eternal Switzerland" celebration!

Of course, Switzerland is also known throughout the world for its wine, cheese and chocolate, all of which are on display here and all of which I am trying very hard to resist!

The ties between us are strong. Perhaps Canadian interest in Switzerland is rooted in a similar experience of fashioning unity and prosperity out of diverse linguistic groups and varied religious traditions.

But whatever the reason, Canada sees in Switzerland a kindred spirit, and we rejoice with you in this great milestone in your history.

But I have not come here today simply to celebrate the past — distinguished though your history is. I have come to talk about the future — your future and ours — united by a common vision and animated by a common purpose.

Because we stand today on the threshold of what I hope will be a bright new era in Swiss-Canadian relations — an era in which we add the strong links of commerce to the already strong bonds of friendship.

It is less than a year ago that Prime Minister Chrétien proposed that Canada and the countries of the European Free Trade Association (EFTA) consider a free trade agreement.

Since that time, much has happened, with developments occurring almost monthly. Indeed, the pace of our progress speaks not only to the obvious benefits such an agreement holds, but also to the strong desire on the part of all parties to see those benefits realized sooner, rather than later.

Shortly after the Prime Minister's proposal, the EFTA Ministers warmly endorsed it, and in March, Canadian officials held exploratory talks with their counterparts from Iceland, Switzerland and Liechtenstein. Similar discussions then followed with Norwegian officials in April.

In May, the first informal meeting between Canadian and EFTA government officials took place in Reykjavik.

And here in Canada, we have launched a series of cross-country consultations designed to give Canadians the opportunity to provide input on their interests and objectives in pursuing such an agreement.

I have also posted an open letter to Canadians on the Department of Foreign Affairs and International Trade Web site, inviting their input and advice.

During my visit to Switzerland in January, it was my pleasure to sign a Trade and Economic Co-operation Arrangement. We have signed similar agreements with Norway and Iceland — agreements that can provide a framework for free trade negotiations between Canada and the EFTA.

And with Switzerland chairing the EFTA until the end of this year, we are confident that the momentum we have created will continue to build.

Why is Canada looking to a free trade agreement with Switzerland and the other members of the EFTA? Because these are important markets and Canada is a trading nation. Because these are countries of the highest calibre, with strong ties to the European market.

I mentioned that Canada is a trading nation. And, indeed, it is hard to overstate the importance of trade to Canada — or of the necessity to continually expand our markets and opportunities.

Currently, about one out of every three jobs in Canada depends on trade. One in three! And every \$1 billion of goods or services we export, creates or sustains 11 000 jobs here at home.

So it is little wonder that our government has put such an emphasis on trade as an engine of growth and a creator of jobs. We have pursued freer trade here on this continent with the NAFTA [North American Free Trade Agreement]. We are leading the push for a Free Trade Area of the Americas. We are strong supporters of the Asia-Pacific Economic Cooperation forum. And we have signed free trade agreements with Chile and Israel.

All of these initiatives are working well. Since 1993, for example, we have doubled our trade performance to a record level of \$343 billion last year.

Over the past few years, we have increasingly turned our sights to Europe to enhance our trade relationships there.

We have, for example, developed the Canada-EU Action Plan to break down barriers which impede trade between us. We have also been a full participant in the TransAtlantic Dialogue. As you know, this is a private sector-lead initiative and under the leadership of Tom D'Aquino and the Business Council on National Issues.

We have also suggested that Europe combine its present three-pronged strategy, which involves separate negotiations with Canada, Mexico and the United States, into a single set of negotiations involving free trade between Europe and all the participants of the NAFTA.

In fact, as long ago as 1994, in a speech to the French Senate, Prime Minister Chrétien proposed a NAFTA-EU free trade agreement.

We believe that a policy of transatlantic integration will also help to lessen concerns about a "fortress Europe" or "fortress North America" and demonstrate the long-term wisdom of extending hands across the ocean.

A free trade agreement with the EFTA nations would constitute the first bridge across the Atlantic. It is a wonderful launching pad. And it is a perfect fit. The combined economies of the EFTA members are comparable in size with Canada's. They have a similar level of development and share similar values.

Now, you know better than I that Canada already enjoys a significant trading relationship with the members of the EFTA. Two-way trade between us last year stood at \$5.5 billion - roughly equal to our trade with Italy.

Investment flows are also significant. In fact, 21 of the top 25 EFTA companies have direct investment here in Canada — companies like Nestlé, Ciba-Geigy and St. Lawrence Cement.

Similarly, Canadian companies like Nortel, the Royal Bank and Dominion Textile have already established a presence in the EFTA countries.

But important as these trade and investment figures may be, we also know that we are far from realizing the true potential of our relationship.

A free trade agreement with the EFTA would enhance export opportunities for Canadian companies and reduce — or eliminate — the barriers between us. A free trade agreement would also put us on an equal footing with our competitors who already enjoy preferential access to the EFTA market.

A free trade agreement is also important because of the opportunities it presents for joint ventures. Tremendous opportunities exist for co-operative action in the fields of energy development and fisheries which could help to serve both the European and American markets.

Finally, an agreement between Canada and the EFTA would increase Canada's profile as a superb investment location, helping to attract more interest from abroad and create more jobs here at home.

For all of these reasons and more, we are strongly of the view that a free trade agreement between the EFTA and Canada is the right step, in the right market, at the right time.

I mentioned a moment ago the importance and the priority that we attach to consulting with Canadians concerning this important initiative. Toward this end, I believe the Swiss-Canadian Chamber of Commerce has a vital role to play.

You understand these markets. You appreciate the opportunities. You see the potential. You know many of the players. You speak the languages. And you know the benefits to both sides — in terms of jobs and investment — that this agreement can bring.

So I urge you to get involved and lend your informed and influential voice to these discussions.

As Canadian business leaders, you have a role to play in making the benefits of Canada better known to your EFTA colleagues. Remind them of the access they would have to the vast North American market through the NAFTA. Remind them of the quality of our work force, the abundance of our natural resources, the low cost of our energy and the strength of our economic fundamentals.

If you do, I am confident that business leaders from Norway, Iceland and Liechtenstein will join their Swiss colleagues in embracing the opportunities for greater trade and investment with Canada.

One hundred and fifty years ago, the Swiss had the courage to join together into a federated union. Today, another opportunity presents itself: not to form a federation, but to establish a partnership; not to pursue greater political independence, but to seek greater economic opportunity.

Let us demonstrate the same courage and the same wisdom that those forbears did. And let us continue to work together as allies, trade together as partners and grow together as friends.

Thank you.

CAI
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Statement

98/57

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE
FIRST ARCTIC COUNCIL MINISTERIAL MEETING

IQALUIT, Northwest Territories
September 17, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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It is my great pleasure, as co-host with Minister of Indian Affairs and Northern Development Jane Stewart of this first Arctic Council Ministerial Meeting, to welcome you to Iqaluit.

I am particularly enthusiastic about being in Iqaluit, the chosen capital of the new Nunavut government. Earlier today, we met with Nunavut officials and Indigenous leaders to discuss some of the history leading to the creation of Nunavut and plans for the future.

The excitement and energy in this region and community leading toward April 1 — when the new Nunavut government takes office — is palpable and makes this a unique and very fitting venue for our meeting. The process that led to the establishment of Nunavut was very much in response to a new dynamic in Canada — a changed set of domestic circumstances and needs, requiring a renewal of the Canadian federation. It was based on a new, inclusive kind of co-operation involving different levels of government and different actors, aimed at ensuring an effective and representative outcome. And it reflects a new type of political arrangement, with a unique institutional structure adapted to the local situation to best respond to the needs of the region's people.

New challenges, new institutions and new partnerships — I am struck by the parallels between the Nunavut experience and the Arctic Council. The impetus that led to the creation of the Arctic Council, the mechanism we have created in response, and the innovative nature of the partnerships comprising the Council are all very similar.

Two years ago, we launched the Arctic Council in response to the unique challenges facing the Arctic region and in the belief that there needed to be a different, comprehensive way of dealing with them. The challenges derived primarily from promoting development for the peoples of the region while ensuring the integrity of the Arctic's environment and protecting existing social and cultural values. These were issues that at their core had a direct impact on the daily lives of the Arctic's residents but that, as they did not respect borders, had to be addressed through a new form of co-operation among Arctic states and their peoples.

The altered circumstances and shifting priorities that motivated us to create the Arctic Council have also demanded innovative institutions and innovative solutions. I think we have come a long way in designing this kind of arrangement, in developing creative answers while looking ahead to the future. A tremendous amount has been accomplished over the past two years.

We have succeeded in laying down the procedural foundation for a dynamic and forward-looking organization. I would like to express my appreciation for the efforts of my colleagues and their staff in finalizing the Arctic Council Rules of Procedure and Terms of Reference for the Sustainable Development Program. The task was

intensive, painstaking, certainly not showstopping – but essential. As a result, the Arctic Council now has a clear administrative basis for operation. With this basis to support it, I am confident that we are now in a position to direct the Arctic Council's agenda to focus on actions that are innovative and responsive to the needs of the Arctic region and its peoples.

At the same time, we have moved ahead with our core concerns. The Council's substantive work has continued through the activities of our working groups, giving shape to our efforts and setting a course for future work:

- The Arctic Monitoring and Assessment Program (AMAP) has completed its impressive *State of the Arctic Environment Report* and has begun detailing a workplan for the next five years, which should set priorities and guide concrete actions.
- The Conservation of Arctic Flora and Fauna Working Group (CAFF) produced a *Strategic Plan for the Conservation of Arctic Biological Diversity* outlining ideas and proposals to promote conservation and the sustainable use of renewable resources.
- The Emergency Prevention Preparedness and Response Working Group (EPPR) has prepared a *Strategic Plan of Action* and has produced an important field guide for oil spills.
- The Protection of the Arctic Marine Environment Working Group (PAME) has finalized the *Regional Program of Action for the Protection of the Arctic Marine Environment from Land-based Activities* and continues to monitor and review other relevant regulatory agreements and activities related to shipping and offshore activities.

These are solid achievements paving the way for future ongoing co-operation. We must now channel our energies to ensure this ambitious agenda is translated into real progress.

The Task Force on Sustainable Development has also demonstrated its potential as an effective tool to attain our objectives. And so far we have been active in using it. Proposals from Arctic states and Permanent Participants are being considered. The ideas and projects – projects involving telemedicine, ecotourism and freshwater fish management – reflect the type of innovation and creativity we need to reach the goals we have set for ourselves.

I am particularly pleased one of the areas we will focus on is children and youth. In choosing to address this issue, we recognize the large percentage of young people that make up the Arctic region's population, as well as the critical need to

address social, environmental and economic issues affecting the well-being of our young people.

The needs of future generations cannot be met without a healthy social environment that nurtures the needs and development of children. Such an initiative can help bring the Council's value home to people across the Arctic in an immediate and tangible way.

One of the most rewarding aspects of this Arctic experiment has been our effort to develop new partnerships to confront our common problems. In recognizing the challenges facing us, we recognized not only the need for new institutions and solutions but also the need for a new kind of co-operation, based on inclusiveness, where everyone – especially the residents of the Arctic – can participate directly. As part of that effort, we will welcome today the Aleut International Association as a new Permanent Participant in the Arctic Council, as well as new observers.

A true partnership has emerged where Arctic states and Indigenous peoples have, together, developed a vision for the Arctic where national agendas can be harmonized and cultural diversity encouraged. This has allowed us to work effectively on the substantive challenge of achieving equitable development in the Arctic while protecting and promoting its environmental integrity.

In this way, the Arctic Council is a unique instrument for co-operation. New partnerships inevitably bring with them growing pains – new approaches are never stress-free. But this is all part of "getting it right." I am convinced that the key to the Arctic Council's success lies in our continued commitment to strengthening these new co-operative links.

We have made good progress in responding to our shared Arctic concerns, in being inventive in dealing with them and in forging new partnerships. But we also need to look ahead. The comprehensive approach to sustainable development we would like to see could become a model for embracing sensitivity to the cultural and social priorities of Arctic residents. We can now draw on, and contribute to, other international initiatives that link environmental protection, economic development and human rights. These matters all converge in the Arctic Council.

We know that many of the Arctic's environmental problems have their origins elsewhere. Consequently, we also need to start looking at how to reach out and make links with other forums and institutions dealing with similar matters. It is important for us to consider what actions and initiatives for co-operation with the larger international community will be required to find solutions to Arctic problems.

The Arctic Council is strategically placed to raise the profile of Arctic issues on the international scene and promote the Arctic region within a global agenda. For example, the recent negotiations for the protocol on persistent organic pollutants demonstrates the value of bringing forward a co-ordinated Arctic perspective.

Over the past two years, we have begun to translate our vision of the Arctic Council into reality. As solid as this start has been, it remains only a beginning. In order to keep moving forward, we need not only action but also reflection. For Canada's part, our experience with the Arctic Council has reinforced the need for us, as Canadians, to develop a coherent, well-articulated northern foreign policy. We need to bring an integrated vision to our approach to the North, including to the Arctic Council.

Earlier today, we released a consultation paper, *Toward a Northern Foreign Policy for Canada*, a proposal for a comprehensive framework for Canadian efforts in the North. This was the result of an extensive domestic consultation process that most importantly, included northerners themselves. Of particular value were the ideas emerging from the National Forum on Canada's Circumpolar Relations. In fact it is from here, in the Iqaluit consultations, that the strongest recommendations emerged that Canada should articulate a northern foreign policy and that to be effective, it had to be in consultation with residents of the North - something we have attempted to reflect in the paper.

I believe the paper is a strong basis from which to proceed. At the same time, this remains for us a work in progress. By definition, an integrated approach requires that all those with a stake in the process be involved in formulating it. Over the next few months, we will consult further, in order to finalize what we hope will be a policy that reflects the values, perspectives and hopes of Canadians, especially northerners, and that has as its central concern, improving the health, social and cultural well-being and circumstances of Arctic peoples.

After two years, I believe we have a better sense of the potential of the Arctic Council and have laid the groundwork for an organization that addresses new challenges in new ways. But the Council remains a novel tool for co-operation, one that will require continued commitment and creativity to be a useful instrument to meet our aspirations. The challenge now is to consolidate our achievements, translate our plans into concrete actions, while redoubling our efforts to bring a cohesive vision to our work.

I look forward to a productive meeting and with that, we can now turn our attention to the procedural portion of the opening session to be followed by opening statements from Ministers,

Permanent Participants, Observers and the Chairs of the Council's working groups.

Thank you.

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Statement

98/58

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE SEMINAR ON SMALL ARMS AND LIGHT WEAPONS
SPONSORED BY THE BRITISH AMERICAN
SECURITY INFORMATION COUNCIL



NEW YORK, New York
September 25, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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I am honoured to be the opening speaker at this important seminar on small arms and light weapons, sponsored by the British American Security Information Council [BASIC].

My colleague, Foreign Minister Knut Vollebaek of Norway and I have just concluded a special information briefing for Ministers on the issue of small arms and light weapons. Earlier this year, Minister Vollebaek and I agreed to the Lysoen Declaration, which outlined our mutual concerns about a number of challenges to human security, including small arms and light weapons. We undertook to work together in developing common approaches to confront these problems. It is in the spirit of this Declaration that we organized the special information briefing.

The engagement of BASIC and similar organizations is essential in finding ways to address the challenges posed by these pernicious weapons. The Oslo Declaration, issued following the July meeting of 21 interested states, acknowledged the important role of NGOs in conducting and disseminating research, doing field studies, educating the public, providing advice to governments on small arms and delivering humanitarian relief to war-torn societies.

The catalytic role of NGOs is clear. Canada provided funding to hold the International NGO Consultation on Small Arms Action, held in Orillia, near Toronto, last month. Over 40 NGOs from both North and South met to discuss and to map out a way ahead, including priorities for action. I had the privilege to address this meeting and welcomed the chance to debate Canada's role in tackling this challenge. In the same way, I look forward to hearing more about the results of this seminar and others like it. The information and suggestions that NGOs provide help us in government to shape our policy priorities and directions.

In Canada, the centrepieces of military small arms and light weapons are fully automatic assault rifles. These weapons have been classified as prohibited weapons under Canadian law for a considerable time. The new *Canadian Firearms Act* and *Firearms Regulations* will not be affected nor changed in any way as a result of our ongoing discussions on military small arms and light weapons such as assault rifles.

The agenda of your seminar today very closely parallels Canada's approach to dealing with the subject.

First, the threat posed by small arms and light weapons affects all of us and demands international solutions. The small arms and light weapons market is transnational, going beyond the reach of individual countries. Patchwork solutions are doomed to fail unless we also take concerted global action.

Second, illicit diversion from the legal trade in small arms and light weapons contributes to the problem and needs to be addressed. New military weapons are manufactured every day. Virtually all of them originate as legal and legitimate tools for

defence and security. However, too many fall into the hands of criminals, terrorists and drug smugglers – resulting in unnecessary and unacceptable human suffering. Steps are being taken to address this illicit trafficking in small arms and light weapons. For example, the Organization of American States has concluded a Convention encouraging co-operation among its member countries in this area. More can be done, especially in the UN context.

Finally, solutions must be practical. They must make a real difference not only in reducing the flow of weapons but also in changing attitudes. Transfers of many kinds of heavy conventional weapons are instantly seen as being destabilizing and potentially harmful. As a result, they are made subject to arms control export guidelines and transparency regimes. Small arms and light weapons, when transferred in large numbers and into the wrong hands, can have precisely the same deleterious effect. Yet because they are not considered along with other weapons systems, there is no regime to address the negative consequences of legal transfers.

The idea of a global convention prohibiting the international transfer of military small arms and light weapons to non-state actors was conceived as a partial response to this problem. By acceding to such a convention, states would recognize their responsibility to make sure that lethal weaponry, such as machine-guns, grenade launchers and shoulder-fired anti-aircraft and anti-tank missiles, did not fall into the wrong hands. In my view such a convention represents a potentially significant step forward in dealing with the undesirable side effects of the licit trade.

Before the July meeting in Oslo, I wrote to participating Foreign Ministers seeking their initial thoughts. Their responses and the valuable contributions from NGOs are vital in crafting an approach which is both appropriate and workable. On the basis of these reactions, Canada will distribute a discussion paper in the near future to elaborate further on this idea. We will subsequently be seeking detailed views to determine the best way forward.

Putting small arms and light weapons on the international agenda, studying the problem on the ground, negotiating international agreements and conventions, disarming and re-integrating former combatants – all of these are steps in the right direction. It is encouraging to see how rapidly international awareness has grown of the problem of military small arms and light weapons in just a few years.

It is especially encouraging to see that the NGO community is engaged and involved. I want to maintain close contact with NGOs such as BASIC in seeking solutions to this complex problem. Our

joint efforts to ban anti-personnel landmines showed what could be accomplished in working together. I hope that we can create the same sort of synergy between government and civil society – even if the nature of the problem is quite different.

I hope that this seminar is informative and useful in finding approaches to address this urgent problem.

Thank you.

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Statement

98/59

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NOTES FOR AN ADDRESS
BY THE HONOURABLE LLOYD AXWORTHY,
MINISTER OF FOREIGN AFFAIRS,
TO THE 53RD SESSION
OF THE
UNITED NATIONS GENERAL ASSEMBLY

UNITED NATIONS, New York
September 25, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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Mr. President:

Allow me to congratulate you on your election to the Presidency of the General Assembly. I am certain that with your experience and dedication to the goals of this organization, you will guide us wisely and effectively in our work this year.

And important work it is, for as the century draws to a close, our security is more precarious than ever. The spectrum of threats is wide. Traditional dangers persist, including the proliferation of weapons. New threats and challenges – terrorism, crime, drugs – arise from a world in which the face of conflict has changed. Economic and social insecurity for the majority of our population is on the rise. Increasingly, it is the well-being of individuals that is directly at stake.

The need for responses is urgent. The way each of our lives is connected is unprecedented. We must work together to confront these challenges.

This means working through a vibrant United Nations. For Canada, the universal values set out in the UN Charter have acted as our moral compass in setting our global agenda. The United Nations system has served as the instrument in achieving our goals.

At the same time, the UN faces its own worries. It too must change. But a strong, reinvigorated United Nations is still the best foundation for the future.

The contours of that future are emerging. While the old realities of power persist, a new system based on humanitarian standards and new practices based on humanitarian needs and human security is emerging.

Perhaps this new reality can best be seen in the common effort to eliminate anti-personnel landmines. The Secretary General has hailed the adoption of the Ottawa Convention as an unprecedented achievement – one accomplished through a unique partnership of NGOs [non-governmental organizations] and state governments to eliminate a weapon system that victimized the innocent.

Last week, Burkina Faso deposited the 40th ratification of the Treaty, thereby crossing the threshold needed to bring the Treaty into force. This Treaty, which has already attracted 130 signatories and 41 ratifications, will become part of the international legal framework as of March 1 of next year. We welcome the offer by Mozambique to host the first meeting of the States Party to the Convention early next year. We continue to urge those who have not done so to sign and ratify the Convention.

Entry into force was the first important step in bringing the treaty to life. Now, we have to meet the goals set out in the treaty. Governments, NGOs, [non-governmental organizations], the

ICRC [International Committee of the Red Cross], regional organizations and the UN that formed such an effective coalition for action must continue to work together in this next phase. The United Nations, through its Mine Action Service, will help manage the issue. It can mobilize and co-ordinate the efforts of the donor community, NGOs, and mine-affected states.

At the Landmines Treaty signing in Ottawa last December, countries pledged a half-billion dollars for Mine Action. My government has allocated \$100 million as Canada's contribution to rid the world of these cruel weapons. We have already put this money to work in some of the most severely affected states – Mozambique, Cambodia, Bosnia and Central America. We must now put everyone's money to work.

Landmines are not the only weapons that take a tragic, disproportionate toll on civilian populations. Small arms and light military weapons – cheap and easy to transport, smuggle or hide – have become the tools of the trade of drug smugglers, terrorists and criminals.

The challenges arising from proliferation and widespread abuse of small arms and light weapons are complex. But the impact on all of us, especially the most vulnerable, is direct and devastating. There are no easy solutions and few shortcuts. We cannot, however, afford to shrink from such a devastating threat to our security. Canada is pursuing a three-pronged approach to this problem dealing with the licit trade, illicit trafficking and the peacebuilding element of small arms proliferation.

Illegal drug trafficking also increasingly threatens our peoples' security. The drug trade affects governance, it undermines human rights and it promotes cross-border conflicts. That is why Canada has proposed a Foreign Ministers' dialogue group in the Americas. We hope this forum will provide guidance and generate ideas to help us curtail the collateral impact of the drug trade.

These and other emerging threats to our security, including terrorism, crime and environmental degradation, affect every one of us. They are also beyond the reach of any one of us alone. They demand global, integrated solutions, which the United Nations is best suited to provide. The Convention on the Suppression of Terrorist Bombing concluded last year, ongoing work in developing a Convention on Transnational Organized Crime, the Kyoto Protocol to the Climate Change Convention – all show that we can enhance all of our security.

Moving the human security agenda forward also requires that we redouble our efforts to address the root causes of conflict.

Peace and stability are indispensable to individual security. They are not, regrettably, humanity's birthright. They must be

built. Two years ago, we launched the Canadian Peacebuilding Initiative. Its objective is to address the unique challenges of societies recovering from conflict. Through this initiative, projects have been undertaken in Guatemala to assist civil society to implement the peace agreements, in Bosnia to promote awareness of the peace accords, in Mozambique to support a program to exchange weapons for farming tools, and in West Africa to support an initiative led by Mali to promote a West African regional arms moratorium. Small steps, certainly, but constructive ones in working locally to build peace.

Today, I am pleased to release a report entitled *Peace in Progress*, which documents the results obtained to date and the wide range of partners with whom we have worked. As the title suggests, Canada intends to carry on with our partners in empowering those working to build peaceful and stable societies.

It has been a half century since a distinguished Canadian international civil servant, John Humphrey, worked to prepare the first draft of the Universal Declaration of Human Rights. Over 60 international human rights instruments have been adopted since then. Countries have shown a new and welcome willingness to co-operate with the international human rights system.

Let us build on that progress to complete a strong UN declaration on human rights defenders.

The growing integration of human rights, including women's rights, into all other aspects of UN activity is a recent and important breakthrough. On its 50th anniversary, the conditions exist to achieve progress in attaining the goals set out by the drafters of the Declaration. This is good news. However, even a brief review of the human rights situation around the globe makes painfully clear we remain far short of these goals.

We need to take advantage of the momentum that this anniversary year presents. The UN human rights system must be assured both the political support of the membership and increased regular budget financing if it is to do the job we need it to do.

The growth of intrastate conflicts caused by differences of religion, language, ethnicity or race has reinforced the need to protect marginalized groups. To do so, both government and civil society groups must have ready access to current information about the human rights situation around the world. To this end, Canada has launched *For the Record* – an annual report drawn from UN sources which we're making available on the Internet to provide information concerning human rights around the globe.

Of those at risk from conflict, none are more so than children. The targeting of children in warfare – both as fighters and as victims – is intolerable. The ground-breaking efforts of Graça

Machel and the work of the Special Representative to the Secretary General on Children and Armed Conflict, Olara Otunnu, merit special and ongoing support.

Respect for civil and political rights is necessary, but not sufficient, to create the conditions for stable societies. Stability also requires economic and social well-being. Regrettably, statistics show that countries with the lowest incomes are much more likely to be involved in violent conflict than others.

The number of people whose basic human needs are not being met remains unacceptably — and dangerously — high. A quarter of the world's people live in severe poverty. More than 800 million face malnutrition. 180 million children under the age of 14 work as child labourers. As the United Nations Human Development Index makes clear this year, the gap between the "haves" and "have nots" continues to grow.

Countries overburdened by debt are less likely to be developed and more likely to succumb to conflict. Reducing the debt burdens of the least-developed allows them to devote more resources to basic human needs. That is why at the OAU [Organization of African Unity] Summit in Ouagadougou last June, I announced a \$20 million contribution to the African Development Bank to support the most heavily indebted African countries. That is also why Canada has forgiven virtually all development-related debt owed to us by the least-developed countries — almost one billion dollars — and why we encourage others who have not already done so to do likewise.

While globalization presents opportunities, it can also expose all of us, especially the most vulnerable, to even greater economic and social insecurity. The international financial turmoil of the past months vividly demonstrates the impact these crises can have on the daily lives of the least fortunate. We need to be sensitive to the social consequences of financial volatility. And when crisis strikes, the UN and its agencies have a special responsibility to assist those most severely affected.

Enhancing human security also requires establishing new legal instruments. The agreement in Rome to establish the International Criminal Court is a major step toward that goal.

The Court will help to deter some of the most serious violations of international humanitarian law. It will help give new meaning and global reach to protecting the vulnerable and innocent. By isolating and stigmatizing those who commit war crimes or genocide, and removing them from the community, it will help to end cycles of impunity and retribution. Without justice there is no reconciliation, and without reconciliation no peace.

We need to move forward urgently in making the Court a reality. We should begin during this General Assembly to bring the Court into operation. We who have supported the Court should ratify the Court's Statute as soon as possible. We must also work to understand and address the concerns of those states that are hesitant about the Court - without diluting its effectiveness. Ultimately we must ensure that we have an institution that will be credible, responsible and effective.

There is no greater threat to our security than nuclear proliferation. In 1945 Canada, despite the experience of the most destructive war in history, decided to forgo the nuclear weapons option. As a participant in the Manhattan Project, we had the technical capability and material capacity to build our own nuclear weapons. In 1968, the government of Canada confirmed this decision and joined the Nuclear Non-Proliferation Treaty [NPT]. Every subsequent Canadian government has re-affirmed that commitment. We have spent much diplomatic effort to persuade others that nuclear weapons are the problem, not the solution.

The non-proliferation regime has enhanced everyone's security. The credibility of that regime has been severely tested over the years - but particularly over the past six months. India's and Pakistan's nuclear testing in May put the entire non-proliferation regime in jeopardy.

Nuclear testing undermines the basic goals and objectives of the Non-Proliferation Treaty and the Comprehensive Nuclear Test Ban Treaty [CTBT]. Testing puts all of us, not least the people of the testing countries themselves, at greater risk. There can therefore be no condoning these actions.

And there must be no rewards. We must not legitimize the claims of would-be nuclear powers, nor confer any new status on proliferators. We call upon India and Pakistan to sign the CTBT, participate purposefully in the FMCT [Fissile Material Cut-off Treaty] negotiations, stop the weaponization of their nuclear programs, impose strict export controls on nuclear technology and fully embrace the non-proliferation regime.

We welcome India's and Pakistan's decision to relaunch their dialogue on Kashmir.

Preventing horizontal proliferation is crucial; preventing vertical proliferation is no less vital or urgent. Nuclear disarmament is the other half of the nuclear bargain. That bargain is a balance of responsibilities and obligations undertaken by both nuclear-weapon and non-nuclear-weapon states. Not all nuclear-weapon states have begun to fulfil their obligations under Article VI of the NPT. We call upon them to fulfil their responsibilities.

Globalization multiplies the challenges we face. It is Canada's conviction that a dynamic, responsive and flexible United Nations system is the best way, perhaps the only way, to meet these challenges.

To fulfil its leadership responsibilities, the United Nations must be assured of reliable and adequate funding. We cannot revitalize the United Nations so long as member states – particularly the most wealthy and fortunate among them – contribute less to a system from which they demand more. Renewal can only be achieved if member states pay their assessed dues – present and arrears – on time and without condition.

The Security Council remains at the centre of what the UN is all about. However, the Council's legitimacy is increasingly being questioned.

To remain credible, the Council must re-examine the traditional interpretation of its mandate. The Council needs to broaden its horizons in addressing emerging threats which impact on our security. Thematic debates on these issues, where all member states can participate, is a good step. The addition of peacebuilding in the Council's range of responses to threats to peace and security is also welcome.

The Council must also be more willing and more consistent in both how and when it becomes involved. The Council belongs to all member states. It cannot be allowed to focus on solving the problems of one region and be indifferent to those of others.

The way the Council does its work must be more open and transparent. For example, member states involved in and affected by matters before the Council must be allowed to exercise their Charter rights. Far from constraining the Council's efficiency, this will improve the decisions it takes and render its actions more effective.

The trend for permanent members increasingly to assume more control over the Council's agenda, thereby marginalizing elected members, runs contrary to democratic principles which so inform our political institutions at the close of the 20th century.

The distinction between permanent and elected members needs to be narrowed rather than widened. In sum, the Council we need for the next century must be more responsible, more accountable and less impenetrable. We hope you will support Canada to advance these aspirations.

Thank you.

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Statement

98/60

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NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE CANADA/SOUTH AFRICA BUSINESS SUMMIT

TORONTO, Ontario
September 25, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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It is an honour for me to be here today and to be part of such an historic event. Let me add my own words of welcome to Minister Manuel and the other members of the South African delegation – and my own words of appreciation to the South African government for organizing this wonderful Business Summit.

Meetings like this are important because strong business associations are important. As Trade Minister, I have seen the vital role these associations play and how they can complement the work of governments. And so I commend you for this initiative.

No one who was in Ottawa earlier this week or who is in Toronto today can help but feel the tremendous excitement generated by the visit of President Mandela to Canada.

Even as I speak, 50 000 people are crowding into Sky Dome. Not for a Jays game. Not for a rock concert. But for a dream – Nelson Mandela's dream of helping the children of South Africa to receive an education and escape from poverty.

We are inspired by his example, animated by his vision and encouraged by his achievements. And these are things that will endure long after he leaves our shores.

In his speech to the United Nations on Monday, President Mandela spoke of his hope that his efforts, and those of others, will not have been in vain, but that "all these hopes [will be translated] into a realizable dream."

Today, those of us in this room, and millions across our respective countries, have the opportunity to help realize those dreams. To the gifts of freedom Mandela brought, we can bring the blessings of opportunity and prosperity. To the castles he built in the air, we can provide foundations.

And so today, I want to speak for just a few moments about the opportunities we have and about the responsibilities we share.

Our first challenge is to overcome the outdated images we may have of South Africa. The changes that have taken place in that country in recent years are nothing short of breathtaking. The end of apartheid unlocked not only jail cells, but also initiative and entrepreneurship and an energy that is impressing the world.

We have watched with great admiration as exciting new developments have occurred in areas like social policy reform and democratization. We have watched as Africans have increasingly come to rely on their own institutions to address conflict and as a new generation of leaders has emerged.

This new Africa was very much in evidence at last year's G-8 summit in Birmingham, England, and I know that many of those in

the Canadian delegation came away very impressed with the renaissance in Africa.

So the time has come for Canadians to look upon South Africa, and the African continent generally, not as a candidate for aid, but as a partner for trade and investment. Africa represents a tremendous opportunity, and I can tell you in no uncertain terms that this is an opportunity that Canadians are not going to miss!

We know that the greatest rewards for investment come when you are there on the ground floor. Those companies – and those nations – that recognize the potential of South Africa and get in early will reap incredible rewards. But those that hesitate, waiting for a safer day, will have to be content with lesser returns.

At the moment, our business activity with all of Africa is modest – less than one percent of our total exports. But it is growing.

In 1997, Canada's exports to sub-Saharan Africa climbed by 18 percent to reach \$776 million, while imports from the continent were over \$1 billion. Our bilateral trade with South Africa, however, is expanding much more quickly, growing by almost 180 percent since 1993, to stand today at \$855 million.

And this growth shows no signs of slowing: so far this year, Canadian exports to South Africa are up by 60 percent and our bilateral trade is on pace to top the \$1 billion mark by year's end.

We are also excited by the growing amount of direct investment in South Africa, because this is a strong vote of confidence by Canadian businesses. In fact, the amount of Canadian investment in South Africa has more than tripled since 1992.

There are now more than 75 Canadian companies – some of which are here today – that are operating in South Africa.

Nowhere is Canadian participation more evident than in the area of mining. Indeed, the Rand Merchant Bank has estimated that about half of all new mining ventures on the African continent involve Canadian participation.

But we should not think that opportunity lies only in the development of natural resources. Just recently, one of Canada's leading generic drug manufacturers, Apotex Canada, announced that it is strengthening its presence in South Africa with an additional investment of \$3.1 million into its South African operation and the launch of a major product.

Apotex and many other companies like it have seen the new South Africa. They have moved beyond the old stereotypes to see the new

society. They have seen the enormous potential and are positioning themselves to profit from it. Theirs is an example we must follow.

But we also know that for every Apotex, there are probably a hundred other companies that have not embraced the opportunities in South Africa. My task — and yours — is to raise the level of awareness among Canadian companies; to remove the barriers and demonstrate the benefits that await them.

The second challenge is that we also need to let South African business leaders know that Canada has much more to offer than simply resources. Old images die hard on both sides, and we need to point out that ours is an economy that is less and less dependent on natural resources and more and more reliant on the resourcefulness of our people.

Ours is very much a new economy. And it is a very sound economy. Our budget is balanced, inflation is low, unemployment is falling and productivity is rising. There has never been a better time to invest in Canada or to join with Canadian partners in joint ventures.

In fact, the share of our exports represented by commodities has fallen from about 60 percent in 1980 to just 35 percent today. That's only roughly 12 percent of our entire GDP.

We are making Africans more aware of Canadian capabilities in a number of ways. Since 1996, the Canadian Alliance for Business in South Africa (CABSA), funded by the Canadian International Development Agency (CIDA), has been working hard to establish linkages between businesses and to arrange the transfer of technology between Canadian companies and potential South African partners.

Within my department, we have developed the Southern and East African Regional Action Plan, which encourages Canadian companies to consider South Africa not only as a vital market in its own right, but also as a springboard to the other markets of Africa.

Earlier this year, our Secretary of State for Latin America and Africa, David Kilgour, led a trade mission to seven countries in Africa, and we are already planning another one — focussed on the power sector — for November.

And last June, the Global Knowledge Conference, in Toronto, provided the opportunity for many Canadian companies to demonstrate their world-leading technology in software and computers to South African business leaders.

Whether it's organizing trade missions, publishing information bulletins, providing assistance to our small and medium-sized

companies or participating in seminars such as this one, we are determined to get the message out to Canadian companies that South Africa is a place they should consider and a market they should explore.

Tremendous opportunities exist for Canadian companies – not only in the areas that might come immediately to mind such as mining and telecommunications, but also in the training of teachers, in the building of homes and in emerging industries such as pharmaceuticals.

Let me also say that I believe Canada has a responsibility to ensure that our African partners have every opportunity to participate fully in the new global economy.

We have led the way in the G-8 to improve the capacity of the developing countries to take advantage of preferential access to world markets. Indeed, last year's conference – sponsored by the World Trade Organization, United Nations Conference on Trade and Development and the International Trade Centre – was a Canadian initiative.

But we know that the actions we take ourselves speak louder than our exhortations to others. That's why we have extended the Generalized Preferential Tariff status to South Africa. That's why we have signed a double taxation agreement and a Foreign Investment Protection Agreement.

That's why we entered into a General Memorandum of Understanding on Development and another one on Judicial Co-operation. And that's why we have negotiated a Television and Film Co-production Agreement – the first ever for South Africa.

And, just yesterday, it was my honour to sign, along with Minister Manuel, a Trade and Investment Co-operation Agreement.

So our commitment to South Africa is very real, and we look forward to future agreements and arrangements that will facilitate trade and investment between us.

As I close, let me say that Canadians are honoured that so many of you have travelled so far to learn more about the business opportunities between our two countries. We look forward with great confidence to a bright future together.

But we also know that there is nothing automatic or easy about developing our relationship. It will require our best efforts and most concerted actions. It will require all of us to look beyond the old impressions and embrace the new opportunities.

As we do so, let us remember what Nelson Mandela wrote in his great autobiography, *Long Walk to Freedom*. He said: "It is what

we make out of what we have, not what we are given, that separates one person from another."

The potential for stronger ties between us is enormous. What will we make out of it? Today's Summit has provided part of the answer. As for the rest, it's up to us.

Thank you.

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Statement

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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE
COMMONWEALTH BUSINESS COUNCIL

OTTAWA, Ontario
September 29, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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Let me begin by adding my own welcome to all of you. We are delighted that the Commonwealth Business Council (CBC) is holding its first major event here in Ottawa, and we hope that you will avail yourself of this opportunity to see more of our capital city.

So welcome to all of you!

Canada has great hopes for the Commonwealth Business Council. Building on the excellent work of the Commonwealth Business Forum held in London last year, we have every confidence that this Council will make an important contribution, not only to the Heads of Government Meeting, but also to encouraging greater private sector involvement in the promotion of trade and investment throughout the Commonwealth.

On this note, I was delighted to take part in the very successful Canada - South Africa Business Summit in Toronto last week during President Mandela's historic visit.

Our commitment to encourage greater trade ties between our two countries is strong, as demonstrated by Secretary of State David Kilgour's trade mission to southern Africa earlier this year, as well as the planned mission in November, which will focus on the power sector.

This morning, I was asked to share with you what Canada's approach has been to globalization: the adjustments we've faced, the policies we've pursued, the choices we've made. And I hope that in hearing about our experience with freer trade, you will find some things to adapt to your own situations.

Our approach has focussed on three fronts: the domestic economy, trade promotion and trade policy through multilateral forums.

First, our domestic economy. We began from the premise that getting our own economic house in order was a priority if we were to fully participate in – and benefit from – globalization. And so we embarked on a concerted effort to reduce our budgetary deficit and to rein in government spending.

It has not been easy. Tough choices had to be made, and we have had to say no to things that we *wanted* to do, so that we could say yes to the things we really *needed* to do.

But today, Canada has a balanced budget, government spending is under control, inflation is low, the GDP is strong and employment is growing. Productivity is on the rise, and our competitive position in the world is stronger than ever.

Now the debate in Canada is not about how to avoid hitting the debt wall but how fast to pay down the debt, how far to lower taxes and how best to spend the surplus we've created.

The nature of our economy has also evolved with the government's steadfast commitment to change. Today, Canada is no longer simply a resource-based economy. In fact, the percentage of our exports accounted for by commodities has declined from 60 percent in 1980 to about 35 percent today.

So ours is very much a new, high technology-based economy.

Secondly, while we were getting our own economic fundamentals right and shifting to a knowledge-based economy, we were also aggressively pursuing trade liberalization around the world. We knew that with a relatively small domestic market, we simply had to look beyond our frontiers in order to create the kind of economic vitality that Canadians expected.

Today, 40 percent of Canada's GDP is generated by trade, and one out of every three jobs in this country is related to our commerce abroad.

We also believe that free trade should not mean a free-for-all, and that rules are necessary to provide fairness and certainty. And access is crucial. That's why we negotiated a free trade agreement with the United States, the world's richest market. That's why we expanded that agreement to include Mexico under the NAFTA [North American Free Trade Agreement].

That's why we also signed free trade agreements with Israel and Chile. And that's why we are leading the way to create a Free Trade Area of the Americas [FTAA] by 2005, together with the 14 member countries of the Commonwealth Caribbean [CARICOM].

And, of course, our strong ties to the world of Asia Pacific — both through formal trade arrangements such as the APEC [Asia-Pacific Economic Cooperation forum] and through the cultural influence of Canadians of Asian descent — position Canada as part of the dynamic Pacific Rim.

Let me just say that the current problems in Asia, while worrisome, have not changed our strong commitment to that region.

We very much take the long view, and we will not ignore the fact that by the year 2000, Asia Pacific will account for 60 percent of the world's population; 45 percent of the world's GDP and 40 percent of global consumption.

When I mention that Canada is a natural bridge to the North American, Latin American and Asian markets, it should be equally noted that we are also a nation with historic roots and strong ties in Europe.

Building on those ties, we are developing a joint action plan with Europe and have signed Trade and Economic Co-operation

Arrangements with Norway and Switzerland — arrangements that we hope to use as a basis for negotiating a free trade agreement in the coming months between ourselves and the nations of the European Free Trade Arrangement [EFTA].

We have also suggested that Europe combine its present three-pronged strategy, which involves separate negotiations with Canada, Mexico and the United States, into a single set of negotiations involving free trade between Europe and all three NAFTA countries. It makes more sense to us to have one superhighway across the Atlantic than three separate roads.

All of these efforts have made Canada a natural gateway for trade and investment.

And they have created access for our companies to exciting markets. But we know that access is only half the story — businesses need to be made aware of the opportunities and provided with intelligence about these new markets.

That's why we have trade commissioners in posts around the globe, seeking out opportunities for Canadian companies and acting as matchmakers with local firms. We have also established International Trade Centres in our major cities across Canada, which provide one-stop shopping for information about government programs and the resources available to companies that want to sell their products or services abroad.

We have made it a top priority to encourage our small and medium-sized companies — particularly those led by women and Aborigines — to look abroad for new opportunities. Within the Department of Foreign Affairs and International Trade, a special branch has been established, focussing exclusively on small businesses to help them begin exporting.

One of our most successful initiatives has been our "Team Canada" trade missions. On these missions, our Prime Minister, provincial premiers and territorial leaders travel with business leaders to various parts of the globe in pursuit of new business opportunities. While our travels to date have taken us to Asia and Latin America, I hope one day soon that the Team Canada mission will touch down on the African continent.

These Team Canada missions have shown how productive we can be when our private and public sectors work together, with politicians opening the doors and business people closing the deals.

So far, we have had four such trade missions, involving more than 1000 companies and producing contracts worth over \$22 billion. The great success of these trade missions has underlined in a powerful way that Canada works best when Canada works together.

Our companies realize that they can compete with anyone in the world, and are determined to reach even larger markets.

In short, success has bred confidence, which in turn has bred more success, which in turn has generated tremendous momentum. Canada is truly coming of age.

Third, and finally, while Canada has sought to develop our own trade and investment, we have also recognized our responsibility to work with other countries, particularly developing economies, to build their capacity to participate in the multilateral trading system.

I am proud of the concrete steps that Canada has taken to encourage trade with developing nations. As long ago as 1974, Canada introduced our Generalized Preferential Treatment for these nations and, in 1983, extended duty-free entry to the least-developed countries.

In 1986, we formalized a preferential trade arrangement with the CARICOM, which gives its member states duty-free access to the Canadian market.

We have also worked to enhance the capacity of developing countries to take advantage of new commercial opportunities through trade-related technical assistance — both bilaterally and through multilateral forums like the World Trade Organization.

The Commonwealth too, has taken a number of concrete measures to ensure that smaller and less developed countries participate more fully in the benefits international trade has to offer.

Recently, for example, it has created the Trade and Investment Access Facility, which will assist developing countries to adjust to and take advantage of, the opportunities globalization offers.

The Commonwealth has also led the way in north-to-south sharing of technology, providing developing nations with the expertise and equipment most appropriate to their situations and most useful to their populations.

And it has implemented the Commonwealth Private Investment Initiative, which mobilizes capital for private-sector enterprises in developing countries.

In these, and a host of other ways, the Commonwealth is working hard to ensure that its smallest members have the opportunity to realize their fullest potential.

But our pride in our past does not make us content with the present — not when there is so much opportunity in the future. We know that much more can and must be done.

This, then, has been our approach to globalization: concentrate on getting our own economic fundamentals right, break down the borders and barriers to trade, work for a rules-based, multilateral trading system while assisting other countries, especially developing countries, to participate more fully in the opportunities of this new era.

In that effort, government involvement will be important. But engaging the private sector will be essential.

That is why this meeting of the Commonwealth Business Council is so important. It paves the way for a stronger partnership between business and government. And it recognizes the simple truth that the best way to expand trade and create jobs is to involve those who actually do the trading and create the jobs.

This Council is the right vehicle, with the right approach, at the right time.

Of course, we do not seek freer trade as an end in itself. We seek it as a means to other, greater goals.

This is something that the members of the Commonwealth have always understood: trade is important because of the benefits it can bring to the lives of our people, and trade means markets for our products, rewards for our labour and hope for our future.

Indeed, if we are not guided in our pursuit of markets by an equal concern for the citizens within those markets, then I believe we are destined to fail. Moreover, we deserve to fail.

We also understand the obligation on the part of national governments to ensure that their citizens are given the capacity to manage these forces of change, rather than simply allowing these forces to manage them.

So, as we move forward, we do so with both optimism and realism. We are under no illusions about the nature of the task before us, but we are also aware of the historic opportunities that await us — and of the responsibilities that must guide us.

I believe that this meeting of the Commonwealth Business Council will play a vital role in helping to build a better future — a future where the free movement of goods and people and ideas expands our frontiers and our fortunes.

So let us embrace the new realities that globalization brings, and let those of us in the Commonwealth continue to work together as friends, plan together as allies and trade together as partners.

I thank you for your presence here today and for the contribution I'm confident you will make to the future that we seek.

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Statement

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NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
AT WILFRID LAURIER UNIVERSITY

"THE DONALD W. CAMPBELL LECTURE ON
INTERNATIONAL TRADE AND INVESTMENT"

WATERLOO, Ontario
October 1, 1998



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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I am delighted to be with you tonight! Let me first of all thank Chancellor Cleghorn and Wilfrid Laurier University for hosting this great symposium.

I also want to recognize the participation of CEOs, business leaders, faculty and students. I commend you for your efforts to bring understanding and insight to an issue that is too often misunderstood or misrepresented.

You have honoured me by asking me to deliver the Donald W. Campbell Lecture on International Trade and Investment. It is somewhat intimidating to be given this assignment with Don Campbell sitting in the audience!

But, my intention tonight is not to lecture, but simply to share some thoughts and provoke a dialogue on investment and its importance in our overall economic and trade promotion strategy.

I certainly can't think of anywhere that a Liberal Cabinet Minister would feel more at home than in the Paul Martin Centre at Wilfrid Laurier University! Both of these names are legendary, not only in my party, but also in the history of this country.

It might also be said that they represent two of the great threads that weave through the tapestry of Canadian politics: the support for capitalism and free markets and the desire to modify the harsher aspects of those forces within our society.

Wilfrid Laurier, who fought and lost an election in 1911 on reciprocity with the United States, understood, perhaps ahead of his time, that freer trade was necessary for a country of our size and that if we were to provide the kinds of jobs and opportunities that our people expected, we would have to look beyond our own frontiers.

And Paul Martin Sr. understood that the obligation of government was not simply to provide opportunities for the wealthy, but also to support those who struggle. He knew that we owed a duty to one another, and not simply to the bottom line.

Today we know that our capacity to provide a decent standard of living for our citizens here at home depends, to a great extent, on our ability to generate trade and investment abroad.

And certainly, recent years have seen a marked shift in the business culture of this country.

Our incredible success in trading abroad has inspired much higher support for the concept of freer trade among Canadians.

At the time that the FTA [Canada-United States Free Trade Agreement] and the NAFTA [North American Free Trade Agreement] were signed, for example, only about one third of Canadians supported the initiative. Today, that number is close to 70

percent – and rising. Far from seeing freer trade as something to be feared, Canadians now see it as something to be embraced.

The reasons for this change in perspective are varied, and I could spend the rest of my time tonight suggesting various scenarios. But I think the most likely reason is simply that Canadians have seen the benefits for themselves. They have recognized that we are too small an economy to create economic wealth exclusively from within.

They have seen the jobs in their towns and cities that are attributable to freer trade. Many are working today because their companies have won contracts abroad.

The impact of trade on Canada's bottom line has been clear: 40 percent of our GDP is now generated by trade. And one out of every three jobs in Canada is tied to our exports abroad. By any measure, free trade has been a success for Canadians.

But we have not done as well on your chosen theme of "internationalizing investment": the other side of the trade coin. To many Canadians, its benefits are less obvious, its virtues less clear. And yet, its potential for economic good is equally great, if not greater, given that investment is far outstripping trade internationally.

Those of us in government – and those of you in business – need to do a better job of getting that message across.

Tonight, I would like to suggest that we need to move aggressively on six fronts.

First, we need to do a better job of explaining the role of investment in our economy.

I think we need to move the markers in people's minds on investment in the same way that we have for trade. To be sure, there has been an evolution in this country – from the days of the Foreign Investment Review Agency to today's Investment Canada.

But many still have fears about loss of sovereignty or about perceived sweetheart deals for large multinationals. The current debates around the MAI [Multilateral Agreement on Investment] reflect some of these old reflexes and perceptions.

We need to bend back the blinkers and give people the whole picture. We need to demonstrate the virtues of investment – the jobs it creates, the research and development [R&D] it brings, the technology it transfers, the talented people it attracts, and the contribution it makes to our competitiveness.

When Honda builds a plant in Alliston, providing well-paying jobs for Canadian workers, that is direct foreign investment and it is good for Canada.

When Merck Frost opens a facility in Montreal, providing the opportunity for our leading scientists to do cutting-edge clinical research, that is direct foreign investment and it is good for Canada.

When Hewlett-Packard expands its operations in Waterloo, creating dozens of high-quality, knowledge-based jobs, that is direct foreign investment and it is good for Canada.

Our challenge is to bring more of this investment to our shores; to embrace its possibilities, expand its benefits and enlarge its potential.

By the same token, we also need to explain the benefits of Canadian companies investing abroad. There is a great misconception out there that when Canadian companies invest outside of Canada, they are exporting jobs. Nothing could be further from the truth. In fact, investment abroad leads to trade and R&D here at home.

And we certainly cannot expect international investors to invest in Canada if we are not prepared to do the same in their markets, around the world.

As I mentioned, our performance in the area of international investment is not as strong as it should be. In fact, our share of the world's direct foreign investment has fallen from 11.3 percent in 1980 to 4 percent in 1996.

Part of that can be attributed to the increasing competition for those investment dollars — from both developed and developing countries alike. We're not the only country that has seen the national and local benefits from international investment.

But part of the reason, quite frankly, is that we have to be more aggressive in selling Canada to the world.

Second, we need to be a better sales force for Canada. In order to do that, we will first have to overcome some pretty deeply ingrained stereotypes.

Too many foreigners still see Canada as a land of lakes and trees — a resource-based economy that is ruled by Mounties and populated by hockey players.

The recent decline in our dollar is a case in point. When money traders — those "guys in red suspenders" as the Prime Minister likes to call them — knocked our dollar down in the face of

declining commodity prices, they were demonstrating their ignorance of how little Canada now relies on commodities. They are living in a time long past, in a galaxy far, far away.

The fact is that the percentage of exports attributable to commodities has fallen from about 60 percent in 1980 to just 35 percent in 1997. This amounts to only 12 percent of our GDP!

Nor is this a recent phenomenon: fish, energy, agricultural and forestry products have been declining as a proportion of our exports since 1971!

By any rational measure, the Canadian dollar should not be considered a commodity currency and the time has come for those currency traders to wake up to the new realities of the new Canada.

But what is true of these traders is also, unfortunately, true of international investors. Too many of them harbour similarly outdated images of Canada, and if we are going to change those images – if we want people to think of Canada as a new economy of information technology, telecommunications, aerospace and other aspects of the knowledge economy – then we have to hustle more on the international investment scene.

And we need to sell the new and improved 1998 version of the Canadian economy.

Third, we are going to have to challenge and change the world's view of the real size of the Canadian market.

Too many investors still see Canada, with its market of 30 million, as too small to bother with. But again, this view ignores the new realities.

The new way – and the right way – to see Canada is as a gateway to a market of hundreds of millions, stretching from Yellowknife to the Yucatan. We offer unsurpassed access to the United States, the richest market in the world.

We are also a Pacific nation, with exciting entry to the world of Asia-Pacific. We are leading the effort to create a Free Trade Area of the Americas by 2005. And, of course, we have historic roots in Europe.

So when people say our market is too small, we need to get them thinking of Canada as a launching pad and not a drop zone.

Fourth, we need to make the case for the competitive advantages that investors will enjoy by investing in our country.

And there are a number of them. Of course, as International Trade Minister, you would expect me to say that. But investors are more concerned with their profits than my prejudice, so let's look at the facts.

A recent study by KPMG International looked at the real, micro costs involved in establishing a company of 100 employees in eight different sectors of the economy. The study compared seven countries: Germany, France, Italy, the United States, the United Kingdom, Sweden and Canada.

I won't go into a lot of detail about the study, but let me just mention the highlights for you.

The study found that when you combine all of the different elements that go into establishing a business, Canada ranks number one. It is cheaper to set up and run a business in Canada than anywhere else studied. Cheaper than Europe, cheaper than Great Britain and cheaper than the United States.

To take a stark example from the KPMG study, a European business setting up a typical 100-worker plant in Canada, will save, on average, nearly US\$1 million annually over a similar site south of the border.

Canada is shown to be a low-cost location from coast to coast. The entire country offers opportunities and advantages for international investors. And every Canadian city studied ranked higher than its American counterpart.

One of the most interesting findings of the study is that Canada is tied with Sweden for the lowest overall corporate tax rates. I know that seems counterintuitive to many of us who believe that we live in a high-tax country, but it is the kind of myth about doing business in our country that makes some investors wary and so it has to be exposed and put behind us.

The fact is that Canada enjoys a low-tax business environment, with the most generous R&D tax credits in the world – and we have to tell that to whoever will listen.

Of course, Canada's advantages are not restricted to those addressed by the KPMG study. In a world where technology allows companies to settle almost anywhere, many of them are looking to quality of life considerations in deciding where to set up business.

And Canada offers many advantages on that front too. Advantages like a health-care system that doesn't check your credit rating before it checks your blood pressure. Advantages like safe communities, clean streets, a superbly educated work force, spectacular beauty and a less litigious society.

Advantages like a multicultural society that allows investors from almost anywhere in the world to look at Canada and see their own reflection, hear their own language and recognize their own culture.

When you combine all of these elements, you have a nearly ideal place to invest and develop a business. So it's time to drop our shy, retiring Canadian nature and blow our own horns from the top of the highest mountain!

Fifth, we need to get out the real story on the Canada-U.S. business environment.

We all know that there are some investors who hear about trade disputes between Canada and the United States and start to question just how "free" the trade between us really is. In order to "buy" political protection from the Jesse Helmses of this world, they feel that they need to set up shop south of the border.

That's when we have to remind them that 95 percent of all trade between Canada and the United States is problem free. That's more than \$1 billion in trade every single day – the vast majority of which occurs with absolutely no problems at all.

And most of the disputes are with the same culprits – trees, fish and other commodities – which have been ongoing for many years. The fact is that trade disputes with the United States make news because they are news – they are not the norm.

Sixth, and finally, I believe the time has come for the federal and provincial governments to do for investment what we have done for trade through the example of our Team Canada missions.

For too long, the provinces have kept their investment cards very close to their vests. They were concerned that the federal government would direct investment to a region other than their own.

But the federal government brings something very important to the table: the Canadian brand name. And so we need to see one another as allies – not competitors. Each province and region offers its own advantages, and we need to join our efforts if Canada is to compete for investment against other countries.

We also need to take a page out of former New Brunswick Premier Frank McKenna's book, and move more investment out of the bureaucracy and into the political offices to show that we mean business about attracting quality international investment.

In short, we need to give investment the same kind of profile – and push – that we have given trade.

We also need to apply the same lesson of Team Canada to investment, namely, that Canada works best, when Canada works together!

These, then, are some of the challenges we face: to explain the role of investment in our economy, to promote a more accurate vision of Canada abroad, to sell Canada as a gateway to some of the largest markets in the world, to let others know of the competitive advantages we offer, to dispel the myths about our trade with the United States, and to take a more hands-on – and co-ordinated – approach to investment.

As well, we will need to determine how to bring closure to the current discussion on how and where to invest our fiscal dividends, whether it be debt reduction or further tax relief, how to reverse our brain drain, and how to boost our productivity performance – as all of these will have an impact on attracting investment.

As International Trade Minister, I can see that Canada is fast becoming a hub for international trade. Now we must assume a similar position with respect to investment. With one shore touching the Atlantic and the other the Pacific, we are a natural bridge between the established economies of Europe and the emerging nations in Asia and Latin America.

We have the location, the skills, the technology and the capacity to become a magnet for international investment. The time has come to make it happen.

Over the course of this Symposium, you have learned about the opportunities and the challenges involved in the internationalization of investments. I believe the potential for Canada to attract more investment is enormous, and I believe the necessity of attracting that investment is obvious.

Speaking just before his death, in 1919, Sir Wilfrid Laurier reminded a group of students to "let your aim and purpose, in good report or ill, in victory or defeat, be so to live, so to strive, so to serve as to do your part to raise ever higher the standard of life and of living."

Today, that same aim must guide our actions and our lives. Trade has already raised higher the standard of living for millions of Canadians, but still more can be helped by attracting more investment.

So let us be inspired by Laurier's words and live, strive and serve to do our part to raise even higher the standard of life and of living for all Canadians.

Thank you.

Statement

98/63

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NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE
EAST ASIAN FESTIVAL BUSINESS SEMINAR
AT
RENISON COLLEGE, UNIVERSITY OF WATERLOO

WATERLOO, Ontario
October 2, 1998

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<http://www.dfait-maeci.gc.ca>



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I'd like to salute my parliamentary colleagues, Andrew Telegdi, Lynn Myers and Karen Redman who join me here today.

It's great to be here today and to be part of this year's East Asian Festival. Let me begin by congratulating the organizers for the tremendous job they've done with this festival. This is a great tradition you've started, since it serves to remind us all of the growing importance of East Asia to Canada and to our future.

I was also struck by the fact that Trimark is sponsoring this luncheon. Their slogan, as you know, is "managing to outperform" — a slogan that is also a very good description of Canadian exporters in recent years. Despite stiff international competition, Canadians have managed to outperform, year after year, as they set new records for exports.

But Canada is a trading powerhouse in the world — with a relatively small population, we have to look beyond our frontiers if we are to create the kind of economic activity and opportunities that Canadians both expect and deserve.

And certainly no region holds more importance — or potential — than Asia.

We all know that Asia is going through some rough times right now. And I do not want to downplay those difficulties in any way. The problems are serious and will take time to resolve.

But I want to begin with a clear statement of Canada's commitment to Asia — today, tomorrow and for the long haul. We are not a fair-weather friend!

This region is already Canada's second most important trading partner. In the first six months of this year, even with Asian austerity measures, falling currency rates and lower commodity prices, our trade with that region still totalled nearly \$30 billion.

Asia's future is just too bright and the potential just too great to abandon it now. The strong rates of growth — in some cases, upwards of 10 percent a year — were clearly not sustainable. But the fundamental economic underpinnings remain.

So too do the solid work ethic and high savings rates among Asians. This is still a supremely motivated, highly educated and strongly entrepreneurial region.

And let's not forget that by the year 2000, Asia-Pacific will account for 60 percent of the world's population; 45 percent of the world's GDP and 40 percent of global consumption. By 2010, China alone will have more than 500 million middle-class consumers.

We are also beginning to see signs that perhaps the worst is behind us. South Korea appears to be on the road to recovery. And the International Monetary Fund [IMF] has recognized Thailand's efforts to meet the requirements for IMF assistance. Both South Korea and Thailand have seen their currencies rise by more than 18 percent since the beginning of the year.

China has also taken bold steps – to restructure their banking system, redesign state-owned companies and privatize others.

So let's keep our eye on the ball: Asia will recover and we must be there.

And we intend to be. Our ties with the Pacific Rim are strong – not only by virtue of geography, but also through the personal connections of the large number of Canadians of Asian descent.

Look at the vibrant East Asian community you have right here in Kitchener-Waterloo – an area we usually associate with a German heritage. In the years ahead, I can envision dragon dances taking pride of place right alongside Oktoberfest celebrations in the streets of Kitchener-Waterloo!

It's not only Vancouver and British Columbia that can boast strong Asian communities! From coast to coast, Canadians of Asian descent are contributing to the cultural and economic vitality of our country.

And through courses like the East Asian Studies program here at Renison College, Canadians of all backgrounds are learning the languages, the cultures and the traditions of Asia – skills they will need in the job market of tomorrow.

In fact, this program is precisely what we need to be doing more of in Canada. In a globalized economy, our students need to have a truly international perspective. They need to be able to move easily across borders and cultures. They need to feel as comfortable in Taiwan as they do in Toronto; as at ease in Seoul as they do in Sacramento.

That is what today's globalized economy demands, and that is what programs like these provide.

We also need the perspective that this kind of study can create. When the financial difficulties in Asia cause some to question our commitment to this region or to suggest that our interests and our efforts be directed elsewhere, we need that in-depth knowledge and long-term outlook reminding us of the opportunities that await us and of the underlying strengths that support them.

And so I commend Renison College and the University of Waterloo — and all of the other educational institutions — that are preparing today's students to meet tomorrow's challenges.

You know, as International Trade Minister, one thing is very clear to me: while our past may have been rooted in the West, our future will certainly be linked to the East.

Last year, as you know, was Canada's Year of Asia-Pacific. It was the first time we had ever devoted an entire year to one region — a clear indication of the importance it holds and of the commitment we've made.

Throughout 1997, hundreds of business, cultural and sporting events took place, and I believe the vast potential and the tremendous opportunities of that region became obvious to Canadians from St. John's to Victoria.

As a government, we have also recognized where a good part of our economic future lies, and we have moved decisively to secure access to this vast market.

Over the past few years, Prime Minister Chrétien has led three trade missions to Asia, involving more than 1000 companies and resulting in millions of dollars in new contracts for Canadians.

This partnership with the provinces and the private sector has been extremely successful, with high-level political support opening the doors and the business leaders closing the deals.

We have also been leaders in APEC [the Asia-Pacific Economic Cooperation forum], trying to break down the barriers to trade and investment there. At last year's meeting in Vancouver, we moved further and faster on trade liberalization than APEC had ever done before. And it is vital that in November, when the APEC meetings get under way in Malaysia, that we do not backslide.

During the present period of instability, we are providing financial assistance to Asia through our contributions to international financial institutions. We are also providing trade credit facilities, technical assistance and humanitarian aid.

In our meetings with Asian leaders, we have stressed the need for transparent banking systems, strong legal frameworks as well as political reforms. And we have matched our words with a commitment to help facilitate those changes in any way we can.

With all of these efforts, Canada has demonstrated both our willingness to help with the present difficulties and our determination to pursue future opportunities.

And make no mistake: as Asia rebuilds, there will be tremendous opportunities for Canadian companies. Significant investment will be required in areas like high-speed data networks, telecommunications, energy production and transportation – all areas in which Canada has world-leading technology and expertise.

Let's just look at South Korea as one example. The Korean market for wireless communication equipment grew by more than 17 percent annually between 1991 and 1995. Its telecommunications service market alone is expected to reach US\$21 billion in just three years. With further liberalization and deregulation expected in this sector, the export opportunities for Canada are truly astounding.

Many of our larger companies are already there. Nortel, for example, has won a contract to provide equipment that will add one million new telephone lines to Taiwan's existing cellular market. But there are incredible opportunities for smaller companies as well, and if you are a small or medium-sized business, you can't afford to overlook Asia.

The Department of Foreign Affairs and International Trade has a whole range of programs designed to help smaller companies start exporting. We also have Trade Commissioners in all of our East Asian posts, ready to match you with opportunities in those countries.

If you're not familiar with these resources, talk to me afterward, get in touch with the International Trade Centre in Toronto, or visit us online at our Web site: (<http://www.dfait-maeci.gc.ca>). There's a wealth of information and support waiting for you, and I would encourage you to use it.

As I close, let me share with you a story that is told of Abraham Lincoln.

One night, when he was a young boy, Lincoln and a friend were out walking, when a meteor shower began. Lincoln's young companion became frightened, but Lincoln told him to look beyond the meteors, to the fixed stars shining above them.

Today, we also must look beyond the present difficulties to the bright stars of opportunity and promise. We must see the storms for what they are – troubling, but temporary. And if we do, we will see the strengths of Asia still shining behind the clouds, still full of promise and still strong enough to provide a bright future for its people.

That is the future that Canada sees for Asia. And that is the kind of future that Canada will help to build.

Thank you.

(1:00 p.m. EDT)

Statement

98/64

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE
CANADIAN EDUCATION INDUSTRY SUMMIT

TORONTO, Ontario
October 7, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



Those of you who work directly in the educational field have a great advantage over the rest of us — your daily interaction with students helps to keep you young.

I was reminded of this recently when I realized that the students who started college and university this fall were born in 1980.

This means that they have never owned a vinyl record album or played Atari. They have never seen a television set with only 13 channels and have no notion of what "rabbit's ears" are. Not only do they not care who shot J.R., they don't even know who he is.

To them, Kansas, Chicago, Boston, America and Alabama are places, not musical groups.

But if the life experiences of today's students are very different from our own, think of how different the opportunities are for the education industry.

Even the term — education industry — would have been unthinkable just a few short years ago. But now we do see education as an industry, and today you have examined the incredible array of opportunities it offers.

And because education is an industry, we need to bring the same discipline and approaches to it that we have to more traditional industries. We need to identify our "markets," develop and promote our "products," differentiate them from those of our "competition" and create "business plans" to bring all of those elements together.

From my perspective, as Minister for International Trade, I see an obligation to promote our educational industry abroad just as we promote our other goods and services. I see an obligation to open up new markets and to ensure that the rules are clear and the playing field fair. In short, I see the same obligations to represent Canadian educational interests abroad as to represent those of any other industry.

This afternoon I would like to speak very briefly about the opportunities I see and the support we are providing.

This government has made education one of its top priorities. That commitment was clear in our election platform. The specific goal of exporting Canadian education was articulated in the Speech from the Throne. And, of course, education was the underpinning of February's budget — a breakthrough budget for education — in which we announced a \$2.5-billion Millennium Scholarship Fund.

Education — specifically internationalizing Canadian education — is also a top priority for me personally.

Last May, I convened a roundtable at York University, which brought together interested parties from the provinces, relevant federal departments and all parts of the education community to share ideas and plan strategies.

I have also established a special unit in the Department of Foreign Affairs and International Trade devoted exclusively to helping Canadians sell and market their educational products and services abroad, and to helping them attract international students to Canada.

As well, our Department's World Information Network for Exports (WIN Exports) — a huge database that matches Canadian companies with international opportunities — is now linking our educational suppliers with potential markets around the globe.

We have also established Canadian Education Centres around the world, introducing international students to the educational opportunities available in Canada.

And we have encouraged educational institutions to join us on our Team Canada Trade Missions. We were delighted that representatives from the education sector made up the second-largest component of our last trip, to Latin America. That same mission also saw the opening of four new education centres: in Mexico, Brazil, Argentina and Chile.

To make it as easy as possible to get information about these various programs and opportunities, we have refined and totally revamped and refurbished our Canadian Education Marketing Web site. It now provides one-stop shopping for all the information you might require on government programs, market intelligence and upcoming trade shows.

Incidentally, all 10 provinces and both territories have now linked up with that Web site, to provide a truly national source of information.

It's a great site and I urge you to visit it.

With all of these initiatives, our government is trying to support your efforts. We want you to succeed. And we want your suggestions on how we can help you better.

In this regard, I am pleased to announce today the establishment of the Education Marketing Advisory Board, which will provide invaluable input and ongoing advice directly to me and my trade officials about our export strategy. I am also pleased to announce that Sheldon Levy, President of Sheridan College, will chair this Board; the first meeting is planned for November.

One of the great things about my job is the opportunity it affords to visit countries all over the globe. And whether in England or Indonesia, Germany or Japan, I've seen the high esteem in which Canadian graduates and Canadian schools are held.

It's no accident that every year the Microsofts of this world come recruiting at our universities — they know that our education system is among the best in the world.

I have also met an impressive array of public and private sector leaders from places you wouldn't imagine, who have been affected by their educational experience here in Canada. Make no mistake: Canadian education is shaping future leaders, influencing world events, and sharpening Canada's image through this special array of educational "ambassadors."

Education has also become a valuable economic resource. It is not only good business, it is big business. You all know the numbers: in 1997, international students contributed \$2.7 billion to our economy. That's the equivalent of creating and sustaining almost 30 000 jobs.

And as the demand for highly trained workers increases — as economies move from brawn to brain — that demand is only going to increase.

As you know, there are really two aspects to the internationalization of education: one is the need to prepare our own students to compete in the global marketplace, and the second is the opportunity for Canada to participate in providing education for an increasingly international body of students.

In both cases, there is work to do and money to be made.

Here at home, private institutions such as Columbia International College in Hamilton have done an outstanding job of attracting international students to our shores.

Sheridan College has been so successful with its program in animation that it has had to build new residences to accommodate the influx of students from around the world.

St. Mary's University in Halifax has tapped the vast potential of the Brazilian market: in the past three years it has attracted close to 60 students, nine of whom are currently enrolled in the MBA program. St. Mary's is just beginning to realize the results of its efforts in Brazil. In the years ahead, a number of innovative projects will swell St. Mary's population and improve its bottom line.

These are not isolated examples — they are the crest of a powerful new wave. And those companies that ride that wave, that

see the value of what Canadian educational institutions have to offer to a waiting world, will enjoy benefits and profits beyond anything we have seen so far.

One of the things I've observed as International Trade Minister is how well many small and medium-sized companies do when they join together to break into new markets. I know that international markets can seem too distant, too inaccessible and too expensive to try by yourself. But when you team up with a partner — whether from Canada or a local company in the country — incredible things can be achieved.

Just look at what happened when Loyalist College of Belleville marketed its customized training expertise to the United Arab Emirates. The result was a new partnership involving Loyalist College, the Dubai Civil Defence and the Toronto Fire Academy — a combination that you wouldn't expect.

These three teamed up to develop a pilot project that saw 12 firefighting recruits from the Arab Emirates come to Canada to receive a three-phase training.

First, they studied core programs such as English as a second language, math, sciences, CPR and first aid at Loyalist College. Second, they trained as firefighters and received their National Fire Protection Association certification through the Toronto Fire Academy. And third, they were placed in the field for hands-on experience.

The Dubai Civil Defence said the program "exceeded" their expectations and is now looking for other partnerships involving Loyalist College.

The point is that the opportunities in the education industry are limited only by your imagination, and tremendous things can happen when you think "outside the box" and look outside the country.

But while the opportunities are amazing, they are not forever. Other nations have seen the potential and are moving aggressively to claim their share, and more, of the pie. Argentina, for example, is overhauling its entire educational system, assisted by funding from the World Bank. This is an undertaking in which Canada could and should be playing a much more significant role. But other countries — and other companies — have done their homework and staked their claim.

We are also encouraging educational institutions to create corporate arms — as Memorial University has done — which give them access to government resources offered through such agencies as the Export Development Corporation and the Program for Export Market Development.

Our view is that these institutions have a valuable product to sell and should be eligible for export assistance. The point is simply this: there is a world beyond CIDA [Canadian International Development Agency] — a world of central agency funding that I believe educational institutions should not ignore.

Nor should you just be looking to Canada as a source of financial support. In 1995 alone, the World Bank authorized nearly \$3 billion worth of educational projects through its various international financial institutions.

The Association of Canadian Community Colleges [ACCC] has already tapped into this immense source of funding. From the Asian Development Bank, the ACCC has been awarded a \$6.4-million contract to provide consulting services in the development of technical education in Pakistan.

Also from the Asian Development Bank, ACCC has won a contract for nearly \$4 million for consulting services in Bangladesh. And from the World Bank, another contract for \$0.75 million to analyse recommendations for the reform of education in Morocco.

Private sector companies have also found these international financial institutions to be a wonderful source of funding. The Hickling Corporation, for example, which is a management consulting firm, has teamed up with four universities — Guelph, McMaster, Waterloo and Western — to win contracts through the Asian Development Bank totalling over \$3 million for educational technical assistance in Southeast Asia.

And now Hickling is teaming up with Canadian technical colleges to manage a World Bank project in Barbados worth nearly \$3 million.

These companies and institutions, and many more like them, have already begun to profit from the exciting new opportunities in education marketing. Now it's your turn.

As we have seen, the potential is amazing. The funding is available. And opportunity is knocking. Let's not ignore it.

I began by reminding all of us how different the life experiences of today's students are from our own. I am confident that in the years ahead, our progress in exporting educational products and services will make our successes to date seem as embryonic as those old black and white television sets seem to today's kids.

I look forward to the time when we can all look back on the "old days" when businesses were just waking up to the potential of the education industry; when our steps were tentative, our successes limited and our horizons narrow.

When that happens, we will smile — as the kids do today at our old eight-track tapes — knowing how far we've come and how much we've built.

I look forward to working with you as we build that future together.

Thank you.

(3:00 p.m. EDT)

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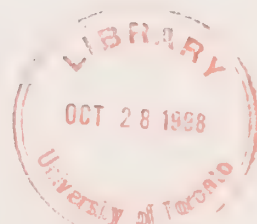
Statement

98/65

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE
ATLANTA WOMEN IN INTERNATIONAL TRADE
THE COBB COUNTY CHAMBER OF COMMERCE
AND THE CANADIAN-AMERICAN SOCIETY OF THE
SOUTHEASTERN UNITED STATES

ATLANTA, Georgia
October 14, 1998
(12:45 p.m. EDT)



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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I am delighted to be with you today. Of course, any Canadian would be happy to come to Atlanta in October! I just checked with my office and it's 52 degrees and raining in Ottawa. So I appreciate the warmth — both of your weather and of your welcome!

It is also great to come to the home state of the current Ambassador to Canada, Gord Giffin.

As I was flying down, I thought about the relationship between our two great countries and some of the differences between us.

But for all our differences, I know that few Canadians would want to live next door to any other country, and I suspect that most Americans feel the same way about their northern neighbour.

So I come today as both a neighbour and a friend — and as a Trade Minister who wants to build on our already significant commercial relationship.

Let me just touch on three areas of common interest: the current state of American-Canadian trade relations, the importance of women in international trade and, finally, a quick overview of where we're at with the Free Trade Area of the Americas [FTAA] process, which Canada is chairing until October of next year.

First, the U.S.-Canadian trade relationship.

By any measure, ours is a rich and vibrant relationship — indeed, the richest of any bilateral relationship in the world. More than a billion dollars in trade crosses our borders every single day. In fact, you trade twice as much with Canada as you do with Japan, your second most important trading partner.

The Canada-U.S. Free Trade Agreement has benefited both nations. Since its implementation, in 1989, trade between us has risen each year. Between 1989 and 1997, bilateral trade more than doubled: including goods, services and income, last year it exceeded \$500 billion.

We know that approximately 11 000 Canadian jobs and nearly 20 000 U.S. jobs are sustained for each billion dollars in new export sales. Quite simply, ladies and gentlemen, trade means jobs on both sides of the border.

The bottom line is that trade and investment are growing, and jobs are being created.

Canadians have particularly recognized the potential of the southeastern United States, which has been the fastest-growing region over the past six years. Annual trade between Canada and the Southeast now stands at over \$40 billion. This is more than all of the United States trades with Russia, Sweden and Argentina combined!

Looking specifically at Georgia, we exchange products worth nearly \$7 billion a year. That works out to more than \$19 million every day of the year. Some 150 Canadian companies, including Nortel and Alcan, have established facilities here.

Similarly, some of your major companies — such as Coca-Cola, UPS, and Georgia Pacific — have made significant investments in Canada.

Recognizing the potential, Georgia and Canada have established offices in each other's territory. The Georgia Department of Industry, Trade and Tourism has a very effective office in Toronto, and our Consulate here in Atlanta, headed by Marc Brault, is doing a great job of promoting trade between us.

Clearly, both sides take the relationship very seriously and are committed to seeing it grow.

But while the success of the Canada-U.S. Free Trade Agreement should be a source of pride, it must not become a cause for complacency. The reality is that there is still tremendous potential for increased U.S.-Canadian trade. There is still a lot of uncultivated fruit on the vine — especially among our respective small and medium-sized enterprises [SMEs].

To many Americans, Canada is still a land of lakes and trees — a resource-based economy ruled by Mounties and populated by hockey players. Well, that's a nice image, but it's also a little dated.

The recent decline in our dollar is a case in point. When money traders — those "guys in red suspenders," as Prime Minister Chrétien likes to call them — knocked our dollar down in the face of declining commodity prices, they were demonstrating their ignorance of how little Canada relies on commodities. They are living in a time long past, in a galaxy far, far away.

The fact is that the percentage of Canadian exports attributable to commodities has fallen from about 60 percent in 1980 to just 35 percent in 1997. This amounts to only 12 percent of our GDP.

Nor is this a recent phenomenon: fish, energy, agricultural and forestry products have been declining as a proportion of our exports since 1971.

By any rational measure, the Canadian dollar should not be considered a commodity currency, and the time has come for those currency traders to wake up to the new realities of the new Canada.

But what is true of these traders is also, unfortunately, true of many American investors. Too many harbour similarly outdated images of Canada.

When you think of Canada today, you should be thinking high tech. You should be thinking a knowledge-based economy, fired by information technology, fuelled by telecommunications and fortified by the third-largest aerospace industry in the world.

You should be thinking a country that is number one in the G-7 in home computer, cable and telephone penetration. Number one in the G-7 in technology potential. A country that has put every school and library on-line.

You should also be thinking a country with sound economic fundamentals. We have balanced our budget – the first G-7 country to do so. Inflation and interest rates are low and growth is strong. And 40 percent of our GDP is directly tied to exports.

The *Financial Times* of London calls Canada the "top dog in the G-7" and the Economist Intelligence Unit agrees, putting Canada among the top five places in the world to do business over the next five years.

Certainly, the many, many American and foreign corporations with investments in Canada wouldn't disagree. Their profits have risen an average of 50 percent over the last two years.

Now, that's a lot of boasting. And we Canadians are not a boastful people. So I will refrain from mentioning the study by KPMG, an international consulting company, which compared the cost of doing business in Germany, France, Italy, the United States, the United Kingdom, Sweden and Canada – and ranked Canada number one.

Nor would I bore you with the details that show Canada to be a low-cost location from coast to coast – that the entire country offers opportunities and advantages for international investors.

And I certainly wouldn't want to go on about how Canada offers the most generous research and development tax credits in the world.

No, it would be wrong for me to mention any of these things, so I will leave them unsaid. But I will say that, in a world where technology allows companies to settle almost anywhere, quality of life considerations become very important in deciding where to set up a business.

And Canada offers many advantages on that front. Advantages like a health-care system that doesn't check your credit rating before it checks your blood pressure. Advantages like safe communities, clean streets, a superbly educated workforce and spectacular beauty.

And these are advantages that I hope you will consider when you're looking to expand or to invest.

Before I leave the Canada-U.S. trade relationship, I must point out that 95 percent of all trade between us occurs without any problem. Unfortunately, there is that 5 percent, which garners all the headlines and steals all the attention.

To be sure, there are some significant differences between us. We take strong exception, for example, to the Helms-Burton Act, which attempts to deny the freedom of other nations to make up their own minds and implement their own policies.

We also have great concerns about section 110 of the U.S. Immigration Act, which, if implemented, will impede the easy flow of business people across our shared border. Congress has wisely agreed on a 30-month delay in its implementation, and we look forward to a permanent rescission of this legislation.

We must not, however, allow these issues to define our relationship, which is, after all, a very healthy and mutually enriching partnership. We must not lose sight of the bigger picture.

Speaking of the big picture, these are challenging times for Canada and the United States, as our trade and economic relationship moves ever closer under the NAFTA [North American Free Trade Agreement]. Equally, it is a challenging time for Europe, which is preparing to adopt a new single currency and to expand the process of integration toward the east. With the increasing interdependence in both the North American and European marketplaces, it is important that Canada, the United States and the European Union work more closely together to liberalize trade across the Atlantic. With cultural and historical ties to both Europe and the United States, Canada offers a natural bridge toward this goal.

Let me turn now to the second area of common interest, and that is the importance and role of women entrepreneurs in international trade, which is getting larger every day.

The contribution of women to our future success can hardly be overstated. In a world of intense competition, no nation can afford to deprive itself of the brainpower of half its population.

In Canada, women-owned and women-led businesses are the fastest-growing sector of the Canadian economy, providing more jobs for Canadians than the top 100 Canadian firms combined. And this is while facing systemic barriers, old prejudices and "glass ceilings."

I am reminded of a comment once made by Charlotte Whitton, the first woman mayor of Ottawa. Ms. Whitton said that "For a woman to get half as much credit as a man, she has to work twice as hard and be twice as smart.... Fortunately," she added, "that isn't difficult."

But women are bringing a new level of energy and enthusiasm to our economy. Now we need to harness that dynamism and apply it to our international trade. We need to get more women selling their goods and services beyond domestic frontiers.

Let me just quickly share some of the things we're doing to encourage more women to become active in this area.

First of all, we need to know just how involved women are in exporting activities. We are, therefore, co-ordinating something called the Women's Trade Research Coalition, which is a major research project aimed at obtaining hard data on the type and extent of participation by Canadian businesswomen in the trade environment — particularly the U.S. market.

Armed with solid information, we will be able to make better public policy decisions.

On the trade promotion front, it was my honour, in 1997, to accompany 150 dynamic businesswomen to Washington on the first ever Canadian Women's Trade Mission. This was an opportunity for them to network with other women business leaders and to explore the opportunities for both exports and joint ventures. And it was a great success.

One of the spinoffs from that visit was the creation of the Women's Software and Technology Association — a group of women who have banded together to market their skills and products here in the United States.

In addition, the Department of Foreign Affairs and International Trade has launched a Web site, "Businesswomen in Trade," that provides a wealth of information on how to prepare for, and succeed in, the export marketplace, including direct links to thousands of domestic and international business opportunities.

And next May, in Toronto, we will host the first ever Canada-U.S.A. Businesswomen's International Trade Summit. I will have the honour of co-hosting that summit with Commerce Secretary Daley.

This will be an unprecedented opportunity for women business leaders to discuss policy, make new contacts and form new partnerships.

This Summit is something you won't want to miss, and I hope to see many of you there.

If we are to continue to provide opportunities for our people, we must continue to pursue the path of freer trade. That path needs to be broad enough to engage SMEs, women entrepreneurs, and you.

Part of that path also goes through the Americas, which brings me to the exciting and historic FTAA. Canada is firmly committed to a Free Trade Area of the Americas, and we welcome U.S. involvement in this vital area. This means, sooner rather than later, the U.S. Administration must get fast-track authority.

Why this push for hemispheric free trade? Why look to Latin America and the Caribbean? Because the growth is there. The jobs are there. The opportunities are there. By the year 2000, the region will have a population of nearly 500 million – 50 million of which will be middle- and upper-income earners. It will have a GDP of US\$2 trillion.

And it is also a very young population. With an average age of between 17 and 21, their prime productive and consuming years are still ahead of them. We know what the baby boom has meant to the North American economy. In demographic terms, Latin America and the Caribbean stand today where the United States and Canada stood in 1967.

So this really is a ground-floor opportunity, and we must get in on it.

The FTAA also provides us with an opportunity to develop a framework for a more open, transparent and predictable trading system in the Americas – a system that will ensure that the playing field is fair, the rules are clear and the opportunities shared.

As I mentioned, Canada is chairing the FTAA process over the next few months and will be hosting the next Summit of the Americas some time in the new millennium.

So far, we are pleased with the progress that's been made.

In June, Canada chaired the first meeting of the trade negotiating committee in Buenos Aires. This committee established work programs for the nine negotiating groups as well as for the three regions that will deal with some of the larger issues that face us: issues such as electronic commerce, the special interests of smaller economies and the effort to include representatives from civil society – business, labour and academia – in the process.

The negotiating groups held their first meeting in September, and the other committees are meeting this month.

As we pursue a Free Trade Area of the Americas, we are under no illusion about the challenges before us. Pulling together a trade agreement among 34 nations, of varying sizes and economies, will not be easy.

But we are also aware of the opportunities that await us. And so we will work hard to continue to make progress and to realize the long-standing dream of uniting the Americas into a single, powerful regional community.

In the pursuit of freer trade, Canada and the United States have much to offer each other. As President Kennedy said when he addressed our Parliament in 1962, "Geography has made us neighbours, history has made us friends and commerce has made us partners."

Let us continue in that spirit. Let us continue to break down the barriers to trade — whether they be outdated perceptions of one another, or glass ceilings that restrain our women entrepreneurs from fully contributing to our economies, or fears about hemispheric free trade.

I quoted President Kennedy a moment ago. In the interests of bipartisanship, let me close by paraphrasing the words of President Eisenhower. In 1953, when he visited Canada, he invited us to raise our eyes above the difficulties of those days to the promises of tomorrow.

He said, "No shadow shall halt our advance together. For we, Canada and the United States, shall use carefully and wisely the God-given graces of faith and reason as we march...[forward]."

Let us take that wise counsel to heart and forge ahead as friends, advance as allies and proceed as partners. Because united, there is little we cannot do.

Thank you.

Statement

98/66

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE CARTER CENTER

ATLANTA, Georgia
October 15, 1998
(1:00 p.m. EDT)



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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It is both a great pleasure and a real honour to have been invited to speak at the Carter Center in Atlanta. The Center's work is well known and highly respected in Canada and, indeed, around the world.

It is also a real pleasure to make my first visit to Atlanta — a city I have always wanted to see. And with some urging from a favourite son of Atlanta, your Ambassador to Canada, Gord Giffin, I have finally made it.

On my way over here today, I was thinking about some of the differences between our two countries. Because, you know, close as we are, and as long as our friendship has endured, there are some important differences between us.

But for all our differences, I know that few Canadians would want to live next door to any other country, and I suspect that most Americans feel the same way about their northern neighbour.

So I come today as both a neighbour and a friend. I was asked, given that special partnership, to talk about our collective stake in the creation of a Free Trade Area of the Americas [FTAA].

As you know, Canada is chairing the FTAA process until October of next year. We have been a keen participant in the Summit of the Americas process, which began in Miami in 1994, and look forward to hosting the next Summit, sometime in the new millennium. We were certainly honoured by the decision of the 34 leaders to ask for our leadership during the crucial initial stages of the FTAA.

Before bringing ourselves up-to-date on the progress so far, we should remind ourselves about the mission statement behind the agreement.

Why are we seeking hemispheric free trade? Why look to Latin America and the Caribbean? Because the growth is there. The jobs are there. The opportunities are there. By the year 2000, the region will have a population of nearly 500 million — 50 million of which will be middle- and upper-income earners. It will have a gross domestic product of \$2 trillion — and that's U.S. dollars!

And it also has a very young population. With an average age of between 17 and 21, their prime productive and consuming years are still ahead of them. We know what the baby boom has meant to the North American economy. In demographic terms, Latin America and the Caribbean stand today where the United States and Canada stood in 1967.

So this really is a ground-floor opportunity, and we must get in on it.

Canada has understood this for several years, and we have taken steps to ensure that we are participants in the growth of this dynamic region.

In addition to our participation with Mexico, through NAFTA, we have also signed a free trade agreement with Chile. Originally designed to be a bridge to Chile's eventual accession to NAFTA, this agreement is creating wonderful opportunities for Canadian businesses. We are very optimistic about the long-term prospects in that country.

We have also concluded trade and investment arrangements with Mercosur and with the Central American Common Market. And we are pursuing a similar arrangement with the Andean Community.

Last January, I accompanied Prime Minister Jean Chrétien, provincial premiers and several hundred Canadian business people on a Team Canada trade mission to Latin America. That trade mission produced 147 business deals worth \$2.84 billion.

You can see why we are placing such importance on our relationship with Latin America and the Caribbean!

More broadly, our actions demonstrate the importance we attach to freer trade — not only in our own hemisphere, but around the world.

The efforts of Latin America to liberalize trade need to be recognized and encouraged. For example, Argentina, Brazil, Paraguay and Uruguay have banded together in the Mercosur customs union, which has in turn signed free trade agreements with Bolivia and Chile.

The Andean Community — Bolivia, Argentina, Ecuador, Peru and Venezuela — is making real progress in its integration efforts.

And Mexico, Colombia and Venezuela have entered into a free trade agreement with one another, strengthening the customs unions in Central America and the Caribbean.

These initiatives have not gone unnoticed: the European Union has already engaged in trade discussions with Mercosur. So we hesitate at our peril — the time for a clear commitment is now.

We simply must create the framework for an open, transparent and predictable trading system in this region. For our part, Canada sees the FTAA as a comprehensive agreement, covering goods, services and investment. We see a hemisphere-wide partnership based on common rights and obligations.

And we see an historic opportunity to finally realize the dream of uniting the Americas into a single, powerful regional community.

In terms of progress, so far the FTAA process is on track. We had a good launch in Santiago, with all 34 leaders present. The Administrative Secretariat is up and running in Miami, and in June,

Canada chaired the first meeting of the trade negotiating committee in Buenos Aires.

This committee established work programs for the nine negotiating groups: market access; agriculture; investment; services; subsidies, anti-dumping and countervailing duties; government procurement; competition policy; intellectual property rights; and dispute settlement.

At that same meeting in June, the negotiating committee established work programs for the three regions that will deal with some of the larger issues that face us: issues such as electronic commerce, the special interests of smaller economies and the effort to include representatives from civil society – business, labour and academia – in the process.

The negotiating groups held their first meeting in September, and the other committees are meeting this month. So things have started in earnest.

However, from Canada's perspective as chair, there are five key challenges that must be addressed, and sooner rather than later: I was encouraged that President Clinton, in recent speeches to the World Bank and International Monetary Fund, rallied the troops for a fast-track mandate in January of next year.

The world needs the United States to remain committed to the principles of freer trade – not only in words, but also in actions. The FTAA is a prime test of that commitment, and fast track would provide an important reassurance.

Second, we need to make progress in the area of business facilitation.

At its December meeting, the negotiating committee will review proposals for reducing red tape and other costs of doing business in the hemisphere. One suggestion is for simplified customs procedures – and that is certainly a step in the right direction.

Our goal must be to make it as easy for a firm in Atlanta to do business with Santiago as with Saskatchewan – in other words, not only to build free trade castles in the air, but to make real progress on the ground.

Third, another key agenda item at the December meeting will be the issue of civil society in the negotiations.

It will come as no surprise to anyone in this room when I say that there is a great divergence of opinion across the hemisphere as to how – or even whether – to engage civil society in the FTAA process.

The challenge we face is to bridge the gap between nations like Canada and the United States, which welcome that active engagement, and others that harbour suspicions about the civil society agenda.

This will not be an easy task, and we will be breaking new ground. But we cannot expect to establish an historic 34-country pact without involving our people. Canada, and I'm sure the United States, would find it impossible to sell such an idea at home or to promote it abroad.

We must never lose sight of the simple fact that trade should be about more than enhancing the bottom line of a nation: it must be about enriching the lives of its people. We do not seek freer trade for its own sake: we seek it because it will provide our people with rewards for their labour, markets for their products and hope for their future.

That is what the FTAA is all about, and that is why we need to create a framework for the involvement of civil society.

Our fourth challenge is to address concerns raised by the enormous disparity in size among the various FTAA participants.

If you are Trinidad and Tobago, with a population of about 1.3 million, and you look at Brazil, with a population of 161 million, you might get a little worried.

Canada understands this. After all, we entered into a free trade agreement with the United States – a partner 10 times our size. But our experience has been positive, in part because we have seen the benefits of bringing our trade under rules where might does not equal right and where the outcome of a trade dispute is decided on the strength of the argument and not the size of the participants.

And we will certainly be sharing these experiences with the smaller economies of the FTAA.

We also appreciate that the FTAA poses a major challenge to the bureaucracies of these smaller nations, particularly the Caribbean and Central American countries. We need to be sensitive to this reality and be prepared to help in building the necessary institutional capacity of these countries.

The fifth and final challenge – which is also the most difficult to predict – is the impact of the global financial crisis on the FTAA process.

While Canada's view is that recent events only make the case for trade liberalization more compelling, we also know that some nations may be tempted to apply the brakes to the process or to call for import restrictions or to impose some other protectionist measures.

Our challenge is to resist these demands and demonstrate the benefits to be gained by continuing down the path of freer trade. The dangers of losing direction at this critical juncture can hardly be overstated. It could mean losing an historic opportunity to build bridges to the newly emerging economies of Latin America. It could risk undermining – or even reversing – the current region-wide trend toward liberalization.

Worse still, it could lead to the emergence of trading blocs – a development that not only would weaken the cause of free trade in the region, but also could adversely affect relations between North and South America.

So let us not allow the current economic difficulties to obscure the longer view. Clearly the financial crisis calls for a financial solution – a combination of financial stability and a stimulus for economic growth. And liberalized trade will be a positive force towards this economic end.

As I close, let me say that we are under no illusion about the challenges before us. But we are also aware of the opportunities that await us. Let us not only lecture about the distance that the world of Latin America still has to travel. Let us also recognize and applaud the long road they have already travelled, in a relatively short period of time.

It wasn't too long ago, for example, in my land of birth, Argentina, that the dirty war was claiming thousands of lives, or that inflation was running at an annual rate of 1 000 percent.

And so we will work hard to maintain the momentum and to keep the negotiations firmly on track.

It was more than 150 years ago that Simón Bolívar spoke of his desire to see the Americas fashioned into the greatest region in the world. "Greatest," he said, "not so much by virtue of her area and her wealth, as by her freedom and her glory."

Today, we have the opportunity to bring Bolívar's dream closer to reality. We can unite the Americas as never before and create a region great in both wealth and freedom.

Let us pursue that dream together and let us resolve not to pause until it is realized.

Thank you.

Statement

98/67

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE
CANADIAN INSTITUTE OF INTERNATIONAL AFFAIRS
1998 FOREIGN POLICY CONFERENCE

OTTAWA, Ontario
October 16, 1998
(3:15 p.m. EDT)



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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It gives me great pleasure to be here with you this afternoon. I would like to thank the Canadian Institute of International Affairs for inviting me to address such a distinguished audience. I was particularly pleased that this year's CIIA conference is being held in association with the World Affairs Councils of America. This cross-border joint venture of the mind exemplifies precisely the kind of continental co-operation I think is needed to explore the North American identity – an idea I will return to later.

I would like to focus my comments today on three issues: the changing global agenda, Canada's efforts to fashion new approaches to these challenges, and how we might apply these to build a North American community.

The Challenge of Human Security

The course of world affairs has radically changed since the end of the Cold War. The tremors of that seismic event are still being felt. A number of certainties have nevertheless emerged from the new world disorder.

The face of war has been transformed. The majority of violent conflicts occur inside states rather than between them. Regardless of where these conflicts happen, civilians are now increasingly the main victims and targets – especially the most vulnerable. As a result, the world has witnessed human tragedies of devastating proportions – massive refugee flows and the grossest violations of humanitarian law, including genocide.

The nature of the challenges we face has changed. For the most part, they are transnational. The threats posed by illicit drugs, terrorism, environmental problems, human rights abuses and weapons proliferation do not respect state boundaries. They do, however, have a direct impact on us through the safety of our streets, the air we breathe, the quality of our lives.

We are all affected – no one is exempt. Some may feel the answer to the cacophony of the "outside world" is to raise the drawbridge. The inescapable truth is that our lives are more connected than ever before. Once-distant concerns are as close as our television screens and computer terminals. And while globalization presents opportunities, it can also expose all of us – especially the most vulnerable – to economic and social insecurity.

We continue to grapple with how to deal with these changes. However, one thing is clear. These new realities have put the individual – more precisely, the security of the individual – front and centre in world affairs. The axis of world attention is tilting to issues directly affecting the well-being of the individual.

Promoting humanitarian objectives – increasing protection from abuse, reducing risks of physical endangerment, improving quality of life, and creating the tools to guarantee these goals – these are the new impetus for concerted global action today.

From Kyoto to Kosovo, the international community is being mobilized to address subjects that affect the everyday lives of ordinary people. Our basic unit of analysis in security matters has shrunk from the state to the individual. This human security lens produces new priorities – everything from countering terrorist bombs to child labour and climate change. These issues have now become the daily concern of foreign ministers and governments. They are the human security agenda.

The latest crisis in the Balkans demonstrates the humanitarian imperative as a force for global action. It was the plight of innocent Kosovar civilians, deprived of their livelihood, chased from their homes by the thousands, with hundreds beaten and massacred – all delivered in real time direct to our living rooms – that demanded a response from the rest of us. It was the prospect of a quarter of a million human beings left without shelter, with winter approaching, that gave the international community the resolve, if somewhat belatedly, to come to their aid. It was an impending humanitarian disaster that induced NATO, ironically the symbol of Cold War realpolitik, to take steps to avert a human tragedy.

To be sure, the old realities of power persist. Classic interstate conflicts and their consequences remain an unfortunate feature of the global landscape. But let there be no mistake. At the end of the 20th century, the human security agenda is no sideshow. On the contrary, it is rapidly becoming the main event of global affairs.

Canada's Response

It is within this context that Canada has been reshaping and refocussing its foreign policy priorities. We are increasingly occupied with issues that strike directly home to the individual. This human security-centred approach to global relations is based on a number of elements.

Engagement, not isolationism, is the guiding principle for action. Canadians have long been open to the world. The transboundary nature of many of the challenges we face makes co-operative action at different levels – global, regional and local – all the more essential if they are to be tackled effectively.

New, innovative partnerships are indispensable. The foreign policy arena is no longer simply the preserve of nation-states and diplomats. New players on the international scene, including non-governmental organizations [NGOs], business associations,

trade unions and regional organizations, have a growing influence. They can play a positive role bringing new tools to the table that we cannot, including first-hand knowledge of issues.

New tools are needed, and existing institutions need to be updated. New international humanitarian instruments will help to guarantee protection for individuals. They will also serve to expand the reach of humanitarian norms. International humanitarian law sets the standards for global behaviour. New law sets new standards to which we are all bound.

A retooling of existing institutions, such as the United Nations, will give us the collective capacity not only to respond but also to be proactive. In the information age, new communications tools should be, can be and have been used effectively.

Finally, the use of soft power – negotiation rather than coercion, powerful ideas rather than powerful weapons, public diplomacy rather than backroom bargaining – is an effective means to pursue the human security agenda.

In practical terms, these elements have resulted in more focus and activism in Canadian foreign policy on some of the key human security problems. Three recent initiatives – the campaign to ban anti-personnel landmines, action to address the risks of military small arms and light weapons proliferation, and the creation of the International Criminal Court – show this human security agenda at work.

An unprecedented partnership between governments and civil society resulted in the signing of the Ottawa Convention last December. One hundred and thirty-one countries have signed. Last month, we reached the threshold of 40 ratifications needed to trigger the Convention's entry into force. The Convention sets a new norm in international disarmament. As of March 1, 1999, it will become a permanent part of the international legal framework.

Our focus now turns to implementation. Governments, NGOs, regional organizations and the United Nations, which formed such an effective coalition for action, can and must continue to work together in the next phase.

There is still much to be done to achieve a world without landmines. However, they are not the only weapons that take a tragic, disproportionate toll on civilian populations. Military small arms and light weapons – cheap and easy to transport, smuggle or hide – are the tools of choice of drug smugglers, terrorists and criminals. They are corroding the fabric of our societies.

The challenges arising from the proliferation and widespread abuse of military small arms and light weapons are complex. But the impact on all of us, especially the most vulnerable, is direct and devastating. There are no easy solutions and no shortcuts.

However, the need to act is compelling. Last month at the United Nations, Norwegian Foreign Minister Knut Vollebaek and I co-hosted a meeting to outline some of the measures we are taking and to exhort others to join our efforts. Over 90 countries participated – underlining the worldwide resonance of the subject. Canada is addressing the problem along three tracks: humanitarian action through peacebuilding, attacking illicit trafficking, and controlling legal trade.

Human security is at risk not only from the devastating effects of landmines and small arms but also from the most extreme violations of humanitarian law. Those who commit heinous crimes in times of conflict must be held accountable for their actions. The reverse side of human security is human responsibility.

It is with this in mind that Canada played an active role in the establishment of an International Criminal Court. A framework agreement to create the Court was reached in Rome this summer. We need to move forward urgently to make the Court a reality.

The International Criminal Court will help to deter some of the most egregious breaches of humanitarian law, namely genocide, crimes against humanity and war crimes. It will help give new meaning and global reach to protecting the vulnerable and innocent. Isolating and stigmatizing those who commit violations and removing them from the community will help to end cycles of impunity and retribution.

The common denominator in these three initiatives is an effort to cast the net of humanitarian norms wider in order to enhance human security everywhere. They are efforts to build the infrastructure of international law and to change global behaviour to deal with truly worldwide human security issues.

We have not always seen eye to eye with the United States government on these specific human security initiatives. Canada will continue to work with the United States in addressing official reservations and concerns. And we will co-operate where we can; for example on landmines, where we welcome the role the United States has taken as a world leader on mine action.

Notwithstanding official differences, what is striking is the resonance the human security agenda has among the wider American public. American Vietnam veterans have been ardent activists in the effort to ban landmines. Other NGOs, such as Physicians Against Land Mines, with whom I met last month in Chicago, have

been instrumental in organizing international action. Elsewhere, the American Bar Association was among the most outspoken in pushing forward the creation of the International Criminal Court.

We will continue to push the human security agenda on the world stage. When Foreign Minister Vollebaek and I co-hosted the meeting in New York last month with a group of like-minded countries, the objective was to determine how to advance global action on the human security issues to which I have referred. We also looked at other issues, such as child labour and child soldiers, with a view to ensuring that marginalized sectors of society are on the international agenda.

Canada takes its seat on the Security Council in January. The Council is the paramount global instrument to safeguard peace and security. However, it is in serious need of overhaul – in the way it functions and the issues it deals with. Over the next two years, we will work to include human security concerns in the Council's deliberations, to make the Council more effective, transparent and responsive to the views of the international community, and to help the Council fully shoulder the responsibilities entrusted to it.

A North American Community

Global co-operation in promoting human security can and should be complemented by efforts on a regional level. As it now stands in North America, Canada, the United States and Mexico all deal separately with challenges to human security such as crime, drugs, terrorism and threats to the environment. Sometimes this has the unwanted side effect of building up rather than bringing down barriers along our borders.

The current *modus operandi* raises a number of questions: whether there can be a common North American response to human security issues, what the scope of such a response might be, how it would shape or reflect a distinctly continental identity, and how this North American approach fits in globally in a changing world.

Commerce and economics have until now been the focus of North American co-operation. The Canada-U.S. Free Trade Agreement and the NAFTA [North American Free Trade Agreement] have ensured that our respective economies are integrated as never before. Trade within the North American economic space has increased by 65 percent since 1994. The resulting jobs and economic opportunities are vital to the well-being of citizens in all three countries.

Important though this is, promoting economic well-being is only one element in advancing human security on the continent. I recently discussed this with U.S. Secretary of State Madeleine Albright and Mexican Foreign Minister Rosario Green. We agreed that more attention should be placed on the human and social

dimension of continental co-operation. As a result, we are exploring areas where we could work together trilaterally. We will meet again in the coming months to review progress.

There are a host of concerns, affecting the daily lives of all our citizens, that could be more effectively addressed through joint efforts: education and the development of human resources, our shared natural environment, the movement of goods and people.

Enhanced co-ordination in education, research and culture will help us strengthen a regional sense of identity and understand the regional nature of the challenges we face. For example, the Aboriginal peoples of North America share strong common links that could be deepened through joint cultural projects. Linking up our universities and research institutes would allow for co-ordinated work on environmental issues that affect us all. To this end, I recently announced that Canada would support the creation of an Alliance for Higher Education and Enterprise in North America by the North American Institute.

Sound management of environmental and natural resource issues is fundamental to the well-being of all North Americans. Yet too often we wait until problems arise and only then look for ad hoc solutions. Effective stewardship of our shared resources means looking ahead and developing solutions together, before problems become acute.

Integrated management of shared watersheds in North America is a case in point. The International Joint Commission reflects a long-standing recognition of the importance of this issue. Through joint efforts, the Great Lakes are the cleanest in over half a century. Still, access to fresh water looms large as a future human security flashpoint. We need to ensure that our co-operation keeps pace with the problems ahead.

Climate change is another potential area for North American co-operation. Joint efforts on emissions reduction could give the world a model for co-operation between countries at different levels of development. Implementing the Kyoto Accord commitments within North America would be an important display of global environmental leadership.

A key area for North American partnership lies in the joint management of our borders. They should be seamless and facilitate trade and movement of people, while also keeping out crime, terrorism and the drug trade. Bilaterally, the Shared Border Accord and the Open Skies Agreement have met this dual challenge with remarkable success. Air travel between Canada and the United States has increased by over a third in less than three years. We are working to make passage across the border even simpler through a nationwide in-transit pre-clearance program.

However, we still need to work on getting the balance right between ease of access and control. The ongoing debate over Section 110 of the 1996 U.S. Immigration Act is a case in point. The real challenge, in my view, lies in looking ahead and preparing for the future. It lies in developing a vision of what we want our shared borders to be.

You may be aware of proposals that would radically alter movement within North America by establishing continental transport corridors. I think this concept warrants serious investigation. A "Murmansk to Monterrey corridor" could enhance North America's global competitiveness. Transportation corridors also offer potential benefits for local communities, if they are developed with significant local input and in an environmentally sustainable way.

Such "green corridors" would be the lifelines of an emerging North American community. They would serve as models of effective, sustainable regional co-operation. Getting there will be quite a challenge, given the many levels of government and interests involved. But if we get it right, we would be breaking new ground in effective governance and management of transboundary issues.

Co-operation in these areas will help advance human security in North America. This interaction may also point the way to a wider sense of community and help shape a shared sense of "North American-ness." Mexicans, Americans and Canadians already have a strong sense of their own identity. The challenge will be to develop a North American "footprint" that treads lightly enough that it does not crush the existing landscape formed by distinctive histories and cultures.

My sense is that a North American community would be institutionally much lighter and more flexible than the European Union model. It must be an arrangement that is outward looking. Let me be clear: in our interconnected world, it makes no sense to build a fortress North America. Our aim should be to construct a community that serves North Americans but that is also open to the world – a community, for example, that is open southward to the rest of the Americas or northward to the Arctic region. If we are successful, our own countries would benefit. We would also provide an important model of regional co-operation in a changing and uncertain world.

Conclusion

Borders are dissolving. The Internet makes global town-hall meetings a possibility. Companies join in complex international exercises in just-in-time delivery. Governments often seem to be the ones lagging behind in adapting to globalization.

However, governments have a key role to play in both mitigating the negative effects and taking advantage of the opportunities of a new era. To take up this role, we have to look at things with fresh eyes and learn to work in new ways – to address pressing problems of human security through new partnerships with other governments and institutions, and with other sectors of society.

I have outlined for you today the challenges of the global human security agenda, and a broad range of issues, both global and continental, where Canada, the United States and Mexico have a shared interest in partnership. As the century closes, we should seize the opportunity to enhance global human security while constructing a new model for North American co-operation.

Thank you.

Statement

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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE
CANADIAN GERMAN CHAMBER OF INDUSTRY AND COMMERCE
AND THE
GERMAN-CANADIAN BUSINESS AND PROFESSIONAL
ASSOCIATION

TORONTO, Ontario
October 17, 1998
(8:30 p.m. EDT)

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



I am delighted to be with you this evening to celebrate the 30th anniversary of the Canadian German Chamber of Industry and Commerce, and the 45th anniversary of the German-Canadian Business and Professional Association.

Let me begin by congratulating both organizations on your combined 75 years of outstanding work promoting closer commercial ties between Germany and Canada.

When your organizations were founded, the Cold War still cast its shadow over Europe. Germany was divided and East–West tensions were high.

Well, as they say, that was then and this is now. Today, the Cold War is over, Berlin is no longer a city divided and Germany stands as the pre-eminent economic power in Europe.

So tonight, even as we celebrate the past we also look to the future and to the promise it holds.

We meet at a historic moment. A new government has been elected in Germany and all of Europe stands on the verge of an exciting new era.

Canada looks forward to working with Chancellor Schroeder and his government, just as we have worked together with previous administrations, on issues such as the expansion of NATO, the effort to eliminate landmines and the campaign to promote children's rights.

In many ways, the eyes of the world will be on Germany in the coming months as it assumes the Presidency of the EU [European Union] at a critical juncture. And Germany will also play host in Cologne to the G-8 Summit at a time of considerable economic uncertainty around the globe.

At such times it is good to have friends, and Germany has a friend in Canada.

There are many formal bonds between our two countries, but there are also many close personal connections as well. Nearly 500 000 German tourists visited Canada last year alone and 2 000 Germans choose to make Canada their home each year.

Today there are nearly three million Canadians of German descent bringing their strong work ethic to their adopted land. German-Canadians are contributing to our national life in every field, as entrepreneurs, accountants, lawyers and labourers, engineers and architects.

Those of you in this room understand the importance of these connections. Many of you are German business leaders who have seen the opportunities in Canada, and have either established or expanded your businesses here. And all of you have done tremendous work to promote Canadian-German partnerships.

The Chamber's initiative taking representatives from the Canadian housing industry to Germany to meet with potential partners is just one example of the kind of important work you are doing.

So tonight, I have come both to thank you for those efforts and to enlist your support for a renewed commitment to enhancing trade and investment between us. In particular, I would like to encourage you to spread the word back home that Canada is a terrific place in which to do business.

Germany and Canada already have a significant commercial relationship. Two-way trade last year amounted to over \$11 billion. Germany is our fifth-largest trading partner and our sixth-largest source of foreign investment. But we also know that we are still only scratching the surface — that there is much more we can and must do together.

Let's just take investment as an example. Germany is a world leader in this area, providing over 8 percent of global international investment in 1996. More than 22 percent of that investment went to the United States, and just 1 percent came to Canada.

I think we can do better. I think we have a wonderful product to sell — Canada — and as salespeople, we need to do a better job of marketing it.

We need to tell German businesspeople about a Canada they may not know, leading the world in areas they might not expect.

To many Germans, Canada is still a land of lakes and trees — a resource-based economy populated by hockey players and ruled by Mounties. Well, that's a nice image, but rather dated!

The fact is that the percentage of Canadian exports attributable to commodities has fallen from about 60 percent in 1980 to just 35 percent in 1997. This amounts to only 12 percent of our GDP!

Our task is to get this message across to our friends in Germany. When they think of Canada, they should be thinking high-tech. They should be thinking of a knowledge-based economy fired by information technology, fuelled by telecommunications and fortified by the third-largest aerospace industry in the world.

They should be thinking of a country that is number one in the G-7 in home computer, cable and telephone penetration — and number one as well in technology potential. A country that has put every school and library on-line.

They should also be thinking of a country with sound economic fundamentals. We have balanced our budget — the first G-7 country to do so. Inflation and interest rates are low, and growth is strong.

The *Financial Times* of London calls Canada the "top dog in the G-7" and the Economist Intelligence Unit agrees, ranking Canada among the world's top five places for doing business over the next five years.

Certainly the many, many international corporations with investments in Canada wouldn't disagree. Their profits have risen an average of 50 percent over the last two years.

Now, that's a lot of boasting. And we Canadians are not a boastful people. So I will refrain from mentioning the study by KPMG, an international consulting company, which compared the cost of doing business in Germany, France, Italy, the United States, the United Kingdom, Sweden and Canada — and ranked Canada number one.

And I certainly wouldn't want to destroy the myth that Canada is a high-tax environment by pointing out that in the study we were actually tied with Sweden for the lowest overall corporate tax rates. Or by reminding you that we offer the most generous R&D [research and development] tax credits in the world.

No, it would be wrong for me to mention any of these things, so I will leave them unsaid. But I will say that in a world where technology allows companies to settle almost anywhere, quality-of-life considerations become very important in deciding where to set up a business.

And Canada offers many advantages on that front. Advantages such as a health care system which doesn't check your credit rating before it checks your blood pressure. Advantages such as safe communities, clean streets, a superbly educated work force, spectacular beauty, and a multilingual and multicultural citizenry.

Those of you here tonight understand this — you have experienced these advantages first hand. And we need you to continue to take that message to your contacts in Germany.

We also need to get Germans thinking about Canada, not as a market of 30 million but as a gateway to a market of hundreds of millions — not only to the United States, NAFTA [North American Free Trade Agreement] members and the Asia-Pacific region, but also to the eventual Free Trade Area of the Americas. When German firms look for a launching pad into these vast markets, we want a huge red maple leaf to come to their minds.

Of course, investment, like trade, is reciprocal. Just as we want to attract more German businesses here, our companies are demonstrating a keen awareness of the opportunities afforded by Germany.

In fact, more than 100 Canadian companies, including such well-known firms as Nortel, Magna and Bombardier, have operations in Germany. But there are also many joint ventures between smaller — and in some cases family-owned — businesses in fields as diverse as housing construction, multimedia and environmental technologies.

And we are also seeing a growing number of strategic alliances by Canadian companies in Germany — particularly in the "Neue Laender," where Canada is the fourth-largest investor.

In short, Germans and Canadians have a history of working well together.

It is therefore with great enthusiasm, that we look to Germany's assuming the Presidency of the EU in January.

Stronger ties with Europe are important to Canada. Next to the United States, it is our largest trading partner and we have moved decisively in recent years to enhance that relationship. In 1996 we signed the Canada–EU Action Plan, and we have commenced free trade negotiations with the four member states of the European Free Trade Association.

We have also suggested that Europe combine its present three-pronged strategy, which involves separate negotiations with Canada, Mexico and the United States, into a single set of negotiations involving free trade between Europe and all of the NAFTA countries together.

It just makes more sense to have one superhighway for trade, rather than three separate roads running between North America and Europe.

With the increasing interdependence of Europe and North America, it is vital that we continue to work together to liberalize trade across the Atlantic.

For a number of decades, the Canadian German Chamber of Industry and Commerce and the German–Canadian Business and Professional Association have worked hard to do just that. You have opened doors and opened eyes, and your role has never been more important — or needed — than now.

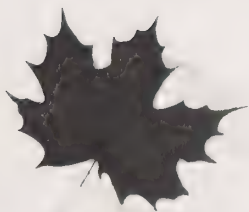
As we look ahead to a new era in German–Canadian relations, we do so with great hope and much optimism. And I have every confidence that if you invite some future Minister of Trade to address the Chamber's 60th anniversary, or the Association's 90th, he or she will be able to speak of the previous years as ones in which our

relationship really took off, when the potential was realized and the opportunities embraced.

Let us resolve to make that happen.

And let us continue to work together as allies, plan together as friends and trade together as partners.

Thank you.



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NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE

GOLDEN OPPORTUNITY 1998 BUSINESS DEVELOPMENT SEMINAR
AND TRADE SHOW

"GROWING LOCALLY, THINKING GLOBALLY"

TORONTO, Ontario
October 21, 1998
(8:30 p.m. EDT)

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Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce international

Canada

Thank you to the Canadian-Italian Business and Professional Association for hosting this wonderful event. In true Italian fashion, this is a coalition effort, involving six different organizations:

- the Black Business and Professional Association;
- the Canadian Asian Business Information Network;
- the Canadian Netherlands Business and Professional Association;
- the Indo-Canadian Chamber of Commerce;
- the Japanese Business and Professional Association; and
- the Ukrainian Professional and Business Association.

I am honoured to have been invited. I am also delighted to share the stage with Al Palladini. Al and I were invited to boost the Italian content of tonight's festivities!

The theme you have chosen, "Growing locally, thinking globally," is a perfect summation of the connection between international trade and local prosperity.

Tonight, I would like to share with you four thoughts on the importance of trade associations and their role in fostering our trade with other nations.

The first is the need for all of us to localize international trade.

On the international level, we have done a very good job of gaining access for Canadian companies. With agreements like the NAFTA and our free trade agreements with Chile and Israel, as well as through our association with APEC and the World Trade Organization and our efforts to create a Free Trade Area of the Americas, we have opened doors and broken down barriers.

What we have not done as well is "localize" trade, and by that I mean demonstrating the benefits of our trade abroad to our neighbours down the street.

Every one of the associations represented here tonight can play a vital role in educating, informing and engaging the members of your community. You can help explain the importance and the relevance of trade to their daily lives.

Because behind the big numbers involved in international trade are individual men and women who are producing the goods, offering the services, and taking the risks that are generating jobs for themselves and others.

We must remind Canadians that our success in international markets is increasingly important to our prosperity here at home.

While it is certainly true that in recent years freer trade has been on the march around the world, its continued advance is not automatic.

We would be less than candid if we did not acknowledge that the benefits of freer trade have not reached to every level of society. Many people are feeling that, far from being the great wave of the future, freer trade is more like a tidal wave against which they have no defence and from which they derive no benefit.

For too many, globalization has become something to be feared rather than something to be embraced.

So while free trade may be an idea whose time has come, it is not an idea whose success is assured. And if we are to continue to reap its benefits — and expand those benefits across our society — then all of us need to do a better job of selling its virtues.

That leads to my second point: we need a new partnership between those of you in the private sector and those of us in government.

As governments get smaller, we can't do as much as we'd like to. So we need to rely more on associations such as yours to be the ambassadors for freer trade and to open doors in other markets. We need the expertise you bring and the experience you have.

Your members are on the ground. They have the networks, they know the culture, they know the language. And they can build on the close personal relationships you have developed over the years.

These personal connections are crucial for doing business abroad. Fax to fax will never replace face to face. By developing partnerships and personal relationships, your associations perform an invaluable service.

In your dealings with others around the globe, you can also help us destroy two persistent myths about Canada.

One is the myth that we are a resource-based economy. You can remind people that the percentage of Canadian exports attributable to commodities has fallen from about 60 percent in 1980 to just 35 percent in 1997. This is only about 12 percent of our GDP!

You can tell them that when they think of Canada today, they should be thinking high-tech. They should be thinking of a knowledge-based economy fired by information technology, fuelled by telecommunications and fortified by the third-largest aerospace industry in the world.

Another myth you can help rebut is that our market is too small for them to bother with. You can remind them that with the NAFTA and our proximity to the Pacific Rim,

we are not a market of 30 million, but the gateway to a market of hundreds of millions, making it more than worth their effort to check us out.

So we have to localize trade, we have to develop a stronger public-private partnership and third, we need to do a better job of harnessing the multicultural, multilingual strength of our citizenry.

Now I know that sometimes when we talk about multiculturalism, it can be divisive. But as the son of immigrants, I've never seen it that way. And as Minister for International Trade, I can tell you that our multicultural society constitutes an enormous competitive advantage in today's globalized economy.

Canadians have ties to every corner of the globe, and there are very few countries indeed who can look to Canada and not see their own reflection.

This provides an important edge over our competitors: People tend to trade with countries they feel comfortable with, in languages they speak and with cultures they understand.

Most countries simply don't have this head start. So while our multicultural asset is one we often overlook, it is not one we should ever underrate.

Fourth and finally, we need to mobilize more small and medium-sized enterprises [SMEs] to participate in international trade.

These are among the most dynamic, creative and innovative enterprises in the country, and they are the backbone of our economy. The vast majority of jobs in Canada are created by smaller-sized businesses. And these are the very same businesses which are represented by the seven associations here tonight.

Well, you may say, "I thought Canada was a trading nation." And that's true — but we are still not a nation of traders. By that I mean that relatively few companies are responsible for most of the exporting we do. In fact, 50 large companies account for about half of everything we export.

And only about 10 percent of SMEs are selling abroad. My friends, that's simply not good enough.

If we are to continue to provide the kind of economic opportunities that Canadians expect and deserve, we simply have to get more of these smaller companies exporting their products and expanding their horizons.

I was very encouraged to see that more than 75 percent of the participants in last January's Team Canada trade mission were from small and medium-sized

companies — up from about a third on previous missions.

They recognized that opportunities do not exist just for "the big guys"; that the ability to be innovative and adapt quickly — which is characteristic of so many of these smaller companies — is a highly valued asset in international markets.

They also came to realize that many large companies, both here and abroad, are looking to form partnerships with smaller companies in order to tap into their entrepreneurial talents or special skills.

They saw that there were markets they could penetrate, services they could provide, needs they could meet — and they didn't need a large corporate structure in order to do it.

To encourage more of these small and medium-sized companies to consider exporting, we have launched a number of programs and a whole range of services designed to meet their particular needs. Let me just touch on some of them.

We have created a huge data base called WIN Exports, which helps to match what Canadians have to sell with what others around the world want to buy. By registering your business with WIN Export, our trade commissioners around the world can be on the lookout for potential customers for you.

We have also brought all of our existing trade promotion services under one umbrella called Team Canada Inc, which builds on the spirit and the success of the Team Canada trade missions.

On the subject of Team Canada Inc, let me first express my pleasure that Team Canada is a gold sponsor to this event. This is a perfect illustration of the co-operation and support of key federal organizations that is helping Canada become such a successful exporting nation, and I would like to thank in particular the Export Development Corporation, the Canadian Commercial Corporation, and the Small and Medium-Sized Enterprise Export Services division of the Department of Foreign Affairs and International Trade for their support.

One aspect of Team Canada Inc is the creation of ExportSource — a new Internet site which contains all the information SMEs could ever want on exporting. Nor more running from department to department — just a click of a button, seven days a week, 24 hours a day.

I mentioned our trade commissioners a moment ago. If you're not using them, let me encourage you to do so. They are an invaluable resource and can save you a lot of time and trouble.

Finally, we have created a special unit in the Department of Foreign Affairs and International Trade devoted exclusively to the export needs of small and medium-sized businesses.

These are just a few of a host of programs and services available to smaller business. The bottom line is that we want to be partners in your success, and we will bend over backward to make sure that you get the help and support you need to take your product or service abroad.

I hardly need to remind this audience that Canada is a land of immigrants from all parts of the globe.

For some, the immigrant experience is something to be read about in textbooks or seen in movies. But for many of us that history is recorded in our family scrapbooks, in our photo albums, in our life experiences.

Our parents or grandparents arrived here with little more than what they could carry. You and I are proud inheritors of their legacy. We meet in relative prosperity because many of them struggled through abject poverty.

And as we stand on the edge of a new millennium, can we do less for our children and grandchildren? Can we, who started with so much, do less than those who started with so little?

Of course not. And that's why we need to go beyond our own frontiers and open up new markets around the globe. That's why we need to embrace the opportunities for freer trade.

Today, we are again called to build for the future. We are again called to look across the ocean and seize the opportunities in far-off lands. We are again called to continue the nation-building started by our forefathers.

I look forward to working with all of you as we build that future together.

Thank you.

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Statement

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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE PERMANENT COUNCIL OF
THE ORGANIZATION FOR SECURITY
AND CO-OPERATION IN EUROPE

VIENNA, Austria
October 22, 1998
(12:30 p.m. EDT)



This document is also available on the Department's Internet site:
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I am delighted to be here with you today as the first Canadian Foreign Minister to address the Permanent Council of the OSCE. I commend the Polish Chairmanship, Foreign Minister Geremek and especially you, Ambassador Kobieracki, for the engagement and leadership shown particularly in the past days.

Kosovo

A steady hand at the OSCE helm is more critical than ever. The organization faces one of its most daunting challenges. The implementation of the Kosovo Agreement is a defining moment for the OSCE.

We hope it marks the beginning of a process to resolve the conflict without further violence. It is incumbent on all parties to seize this moment to negotiate a lasting solution. We hope it will end the appalling victimization of innocent civilians, especially the most vulnerable. We hope it will allow us to address, fully and unobstructed, the needs of hundreds of thousands of refugees and displaced persons. We hope it will provide the opportunity to investigate thoroughly possible violations of international humanitarian law.

However, we have been disappointed before in the Balkans. We therefore need to remain vigilant and prepared. There should be no mistake about the international community's resolve to ensure compliance. The terms of the agreement — based on existing United Nations Security Council decisions — should be contained in a new Security Council resolution. This should also include an unambiguous Council mandate. We must insist that all Security Council members recognize their responsibility.

A new Security Council resolution would bring the management of the issue back where it belongs. Decisions on this matter have an impact on us all. They should be taken where these interests are fully represented. The Security Council and appropriate, legitimate regional mechanisms, including NATO and the OSCE, all have their respective jobs to do. We should let them do those jobs. Self-appointed contact groups have little legitimacy, are often counter-productive in the search for answers, and undermine the role of duly constituted institutions in advancing peace and security. In particular, we cannot allow the Security Council to be sidelined. To do so would be to run serious risks ourselves.

The OSCE has rightly been called on to verify the implementation of this agreement. This is fully in keeping with the objectives for which this Organization was created: advancing the security and well-being of the person. The Organization has established a solid record in carrying out operations under difficult and challenging conditions.

Still, the dimensions of the challenge are unprecedented. Given the stakes, the OSCE must have the direction and the tools to do its work. The verification mission must have a clear and achievable mandate backed by adequate resources. The verifiers

must know exactly what they are verifying. Command and control arrangements must be unambiguous. Logistical support must be rock-solid, and communications systems absolutely reliable. Liaison and co-ordination arrangements must be developed quickly and must function well. The effective collection and dissemination of information is critical.

All of these factors are essential to success. Equally important is the safety of the verifiers themselves. We should plan as optimists but be prudent in the precautions we take. The past is our teacher. Canadians, like others, are extremely mindful of previous experience. I therefore particularly welcome co-operation between the OSCE and NATO on this aspect.

The urgency to move rapidly in Kosovo is evident. In the days and months ahead, Canada will play its part. Canadians will be present in the Verification Mission in significant numbers. On a separate but related track, Canada will provide \$2 million for humanitarian relief in Kosovo.

As we work on details of our response in Kosovo, we need to be mindful of the bigger picture. The international community is at a crossroads in the management of global affairs. Last week, through NATO, we were on the verge of military force to avert a humanitarian disaster inside the borders of the former Yugoslavia. The possibility of military action remains. The OSCE is now also heavily involved. The principles of state sovereignty by which we have been guided for so long have by no means withered. But increasingly these traditional notions are being challenged — in some cases outweighed — by the need to act in support of purely humanitarian goals, in defence of the security of the individual.

In view of the bumpy road that has led to where we are now in Kosovo — especially differences over intervention — it is clear that we are still coming to terms with these new circumstances. There are many uncertainties. We need to reflect more and carefully on what the humanitarian imperative means to the course of global action. Ad hoc solutions are unsatisfactory. We need to come to grips with the challenge in a more coherent way. Our shared institutions, starting with the UN Security Council but including the OSCE, need to recognize and act on this new reality. This is what the OSCE is doing in negotiating a Charter Document for European security that is worthy of its antecedents.

Human Security

The plight of the Kosovars is the face of the emerging humanitarian challenges confronting the international community. With the end of the Cold War, the threat of major conflicts between states has diminished. Increasingly, the dangers lie in conflicts within states or in challenges that are transnational. As a result, threats to human security have grown: human rights abuses, inter-ethnic tension, poverty,

environmental degradation, the drug trade and terrorism. These fuel recurring cycles of violence where civilians are the primary victims.

We continue to grapple with the question of how to deal with these changes. However, one thing is clear: these new realities have put the individual — more precisely, the security of the individual — front and centre in world affairs. The axis of world attention is tilting toward issues directly affecting the well-being of the individual.

The international community is being mobilized to address subjects that affect the everyday lives of ordinary people. Our basic unit of analysis in security matters has shrunk from the state to the individual. This human security lens produces new priorities — everything from countering terrorist bombs to child labour and climate change. These issues have now become the daily concern of foreign ministers and governments. They are the human security agenda.

The Kosovo crisis also demonstrates that these human security concerns are increasingly at the forefront of international engagement. Promoting humanitarian objectives — increasing protection from abuse, reducing risks of physical endangerment, improving quality of life and creating the tools to guarantee such goals — these provide the new impetus for concerted global action today.

To be sure, the old realities of power persist. Classic interstate conflicts and their consequences remain an unfortunate feature of the global landscape. But let there be no mistake: at the end of the 20th century, the human security agenda is no sideshow. On the contrary, it is rapidly becoming the main event of global affairs.

The OSCE is well suited to meet the challenges of this human-centred approach in its area of operations. After all, the advancement of the human condition was the founding impetus of this Organization. A review of developments in the OSCE area makes clear, however, that the well-being of the individual remains precarious.

To become an effective tool in promoting human security, the OSCE should continue to address regional tension and instability through focused efforts on three tracks: conflict prevention, conflict resolution and post-conflict rehabilitation. In doing so, the OSCE should develop partnerships with other players that have a growing influence on world and regional events, including non-governmental organizations. They can play a positive role, bringing new tools to the table that we as governments cannot, such as first-hand knowledge of issues.

To these ends, OSCE activity should advance progress in two interrelated areas: arms control and disarmament, and good governance and human rights.

Arms Control and Disarmament

The human security agenda has broadened the domain of efforts to control arms proliferation. The global campaign to eliminate anti-personnel landmines is perhaps the best example. An unprecedented partnership between governments and civil society resulted in the signing of the Ottawa Convention last December. This Convention takes direct aim at a weapon that has a devastating and direct impact on the everyday lives of ordinary people. In that regard, the Convention sets a new norm in international disarmament. Last month the Convention received its 40th ratification, ensuring that it will become a permanent part of the international legal framework.

Thirty-six OSCE members are among the 137 countries to have signed the Ottawa Convention. Eighteen have ratified it. This is welcome news and clear evidence that the threat of landmines is a direct concern for OSCE members. I would urge all those who have not done so to add their country's name to these lists. We should make the OSCE area a landmine-free zone sooner rather than later.

The focus now is to bring the Convention to life. Governments, NGOs, the United Nations and regional organizations formed such an effective coalition for action, and they can and must continue to work together in the next phase. Canada has committed \$100 million to these efforts. We are willing to provide financial and technical support to states lacking the resources to fulfil the obligations of the Convention. I invite member-states to approach Canada to discuss the possibility of co-operation on mine action in the OSCE area.

The proliferation and excessive accumulation of military small arms and light weapons is also having a ruinous effect on our societies. As with landmines, civilians are the main victims, and the most vulnerable are at greatest risk. In the OSCE area the consequences of this problem are all too evident. In Albania, Bosnia and Tajikistan, for example, the seemingly free flow of small arms is compounding human suffering and impeding the development of stable societies. The threat of small arms proliferation is not an abstract concept for people in conflict-ridden areas.

The solutions are not straightforward, but this should not deter us from confronting the threat. Canada is addressing the problem along three tracks: humanitarian action through peacebuilding, attacking illicit trafficking and controlling legal trade.

In three weeks, the British American Security Information Council will hold a workshop on this issue here in Vienna, in co-operation with Canada, the Netherlands, Norway and Switzerland. Hopefully, this will be a springboard for serious reflection on what action the OSCE could take. For example, the OSCE could consider the type of convention already concluded by the Organization of American States on illegal trafficking in firearms and other weapons.

The successful adaptation of the CFE [Conventional Forces in Europe] Treaty to post–Cold War realities and the recalibration of the Vienna Document on confidence- and security-building measures will also strengthen the environment in which human security can be pursued.

Good Governance and Human Rights

Human security is a possibility only in societies that are open and stable, and free from conflict — societies where the respect for human rights and the rule of law are the norm, not the exception. Efforts to address these issues — in short, peacebuilding — are central in promoting the well-being of the individual.

While not sufficient in themselves, free and fair elections are a key element in this equation. The OSCE has been active in this area. The Organization's presence during elections in Slovakia and the referendum in Latvia helped to ensure the good conduct of the vote in those countries.

The OSCE's management of elections in Bosnia is particularly notable. Those elections served to consolidate progress in implementing the peace accords. They are an important step forward in Bosnia's long road to stability. After four sets of elections in three years, there are also some lessons for the OSCE: more effort should be made by the Organization to transfer electoral responsibility to the Bosnians themselves; the rather complex electoral process could be simplified to make it more accessible to all; and working through the right channels, some re-examination of the frequency of votes is probably in order to reduce the drain on limited resources.

Elections are part of the larger democratization process. In Belarus, Albania, Bosnia, Croatia and Central Asia, the OSCE is working to build peace and enhance human security by consolidating democracy. Civil society needs to be an active participant in these efforts to make them effective. Each OSCE undertaking is unique but the underlying motivation is constant: setting the foundations for democratic and responsive political institutions.

Freedom from conflict is indispensable to allow the roots of good governance and human rights to take hold in any land. Sustained peacemaking efforts by the OSCE are needed to resolve tensions in the region. Whether in Georgia, Tajikistan, Moldova, or the Caucasus, unresolved conflicts continue to cast a long shadow. They endanger everyone's security. Through "good offices" efforts and special missions, the OSCE is shouldering its responsibility to seek peaceful answers.

But the parties themselves must demonstrate the political will to resolve differences and comply with the standards of the OSCE. The special meeting of the Permanent Council on Regional Issues, to be held tomorrow, is a step in the right direction.

The growth of intrastate conflicts caused by differences of religion, language, ethnicity or race — all of them violating the fundamental dignity of the individual — has reinforced the need to protect marginalized groups and to promote the human rights of all. The High Commissioner on National Minorities, the Office for Democratic Institutions and Human Rights, the new Office of the Representative for Freedom of the Media, and the Economic and Environmental Co-ordinator are the OSCE's tools for advancing progress in this area. We should ensure that they continue to be used actively.

Promoting human security also means elevating the norms of human behaviour. Human security is inseparable from human responsibility. Those who commit heinous crimes in times of conflict must be held accountable for their actions. It is with this in mind that Canada played an active role in the establishment of the International Criminal Court.

The Court will help to deter some of the most egregious breaches of international humanitarian law, namely genocide, crimes against humanity and war crimes. It will help give new meaning and global reach to protecting the vulnerable and innocent. Isolating and stigmatizing those who commit violations and removing them from the community will help to end cycles of impunity and retribution. We need to move forward urgently to make the Court a reality. In light of our own experiences, OSCE members have a special responsibility for achieving this goal.

Conclusion

We see the emergence of a new international system rooted in fundamental standards of humanity and new practices based on human rights, humanitarian law and human security. The OSCE is playing a role in moving this agenda forward. The Organization has come a long way in a short time. Less than a decade ago, ideological cleavages in our region affected and infected almost all discourse. The security of individuals was secondary to the power politics of that past era.

The OSCE is on the right track. It is developing the tools and pursuing action aimed at putting human security first. More can be done. These existing tools need to be applied vigorously and developed further. All members need to be meaningfully involved in decision making, and compliance with OSCE commitments must be improved. The Organization needs to reach out actively to create new alliances with civil society in pursuing its goals.

The verification mission in Kosovo has focused renewed attention on the Organization. It will test the Organization's effectiveness. Continued co-operation and

commitment will ensure the further evolution of the OSCE as an effective instrument in meeting the human security demands of the next century.

Thank you.

Statement

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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
ON ACCEPTING THE NORTH-SOUTH PRIZE

LISBON, Portugal
October 23, 1998
(3:30 p.m. EDT)

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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It is an honour for me to accept the North-South Prize of the Council of Europe. This honour is magnified by the venue — this crucible of Portuguese democracy — and by the proud heritage of centuries of Portugal's global engagement. Your country is the ideal home for a Centre dedicated to interdependence and solidarity.

Since the time of Prince Henry the Navigator, you have stood for an outward-looking Europe. Mr. President, I recall the image, captured by Canadian television, of you looking out to sea as the schooner *Creoula* set out this past summer on its historic voyage to Newfoundland. The crew of young people from both our countries joined hands in hoisting sails. This recreated one of the original links between Canada and Europe.

Today, Canada's status as a permanent observer at the Council of Europe, and an active participant in your Parliamentary Assembly, testifies to the growth of our ties and the vitality of our shared values. Indeed, it was the President of the Canada-Europe Parliamentary Association, Mr. Charles Caccia, who forwarded my name to the North-South Centre for consideration. I wish to thank him for this nomination and for his active engagement in promoting transatlantic parliamentary co-operation.

Receiving this award from the North-South Centre is especially significant. The commitment to the eradication of landmines is equally passionate on both sides of the equator. The campaign to ban anti-personnel landmines, for which you are honouring me today, is truly a global one. It would be impossible for me to accept this prize without honouring all those who worked so hard in this effort. It is only this collective work that allowed the Ottawa Convention to come to fruition. This award is as much theirs as mine.

It is entirely fitting that this award be presented in Lisbon. As an early supporter of the campaign, Portugal was the fifth country to sign the Convention. Your former President, Mr. Mario Soares, relentlessly lobbied those initially hesitant to support the campaign. Without his personal commitment, it is doubtful that so many countries would have become signatories to the Convention.

I understand that Portugal's ratification of the Convention will soon be discussed in this Assembly. I look forward to seeing Portugal's name added to the 45 other countries which have ratified the Convention.

The North-South Centre award for this initiative is meaningful in another way. It underlines the similarity of the Centre's aspirations and those of the landmines campaign. At the heart of each is the desire to protect and improve the well-being of the individual. They both reflect an increasing shift in the axis of world attention to the challenges of human security.

The new realities of the post-Cold War era make the individual the point of departure in world affairs. The nature of violent conflict has changed — innocent civilians are

the main victims and targets. The challenges we face — illicit drugs, terrorism, environmental concerns, weapons proliferation — are transnational but have a direct impact on ordinary people. Our lives are more connected than ever — the "outside" world, thanks to the new communication technologies, has become our own.

As a result, the promotion of humanitarian objectives is emerging as the new impetus for concerted global action. This human-centred approach involves increasing the individual's protection from abuse, reducing the risks of physical endangerment, improving quality of life and creating the tools to guarantee these goals. The basic unit of analysis in security matters has shrunk from the state to the individual, creating new priorities — from countering terrorist bombs to child labour and climate change.

Our changed world has shaped this human security agenda. It has also produced a different way of doing business. New, innovative partnerships are indispensable. Foreign policy is no longer simply the preserve of nation-states and diplomats. New players on the international scene, including non-governmental organizations, business associations, trade unions and regional organizations, have a growing influence — and a positive role to play.

The Ottawa Convention was the result of a collective effort involving not only governments but grass-roots organizations from around the world. The focus now is to bring the Convention to life. The coalition which was so effective in concluding the Convention will now continue to work together to ensure that these goals are met.

In the same spirit, the North–South Centre encourages a "quadrilogue" between parliamentarians, governments, non-governmental organizations and local authorities. By bringing together these different players to address common problems and to mobilize action, the Centre is in the vanguard of the new diplomacy.

Reflecting new ideas, creating new tools, forging new partnerships — the human security agenda has gained momentum. The campaign to ban anti-personnel landmines is proof of what can be achieved. Unfortunately, the spectrum of threats remains wide. Human security is more precarious than ever. Now is the time to press on with other projects.

The abuse and proliferation of military small arms and light weapons is corroding our societies. Cheap and easy to use, transport, smuggle and hide, they are the tools of choice of drug smugglers, terrorists and criminals. They are taking a tragic, disproportionate toll on civilian populations. The challenges arising from this situation are complex. But the impact on all of us, especially the most vulnerable, is direct and devastating.

There are no easy solutions and no shortcuts. However, the need to act is compelling. And the world is listening. At the United Nations last month, over 90 countries met to hear what some are already doing and to consider possible ways forward. Canada is addressing the problem along three tracks: humanitarian action through peacebuilding, attacking illicit trafficking, and controlling legal trade.

Human security can be assured not only by reducing weapons used to maim and kill but by elevating the norms of human behaviour. Those who commit heinous crimes in times of conflict must be held accountable for their actions. The reverse side of human security is human responsibility.

Our forebears created a set of rules providing a measure of protection in times of conflict. The face of conflict has changed dramatically: most of the time now it happens within states; and civilians, not solidiers, pay the highest price. The crisis in Kosovo, along with the response of the international community, is the most recent example of these changed circumstances.

It is with this in mind that Canada played an active role in the establishment of an International Criminal Court. The creation of the Court is part of an effort to recognize the demands of our changed world and to weave them more formally into binding standards of human behaviour. The Court will help to deter some of the most egregious breaches of international humanitarian law — genocide, crimes against humanity and war crimes. It breaks new ground, in particular addressing the plight of women and children. Isolating and stigmatizing those who commit violations and removing them from the community will help to end cycles of impunity and retribution.

Our century has seen some of the most horrific atrocities inflicted by human beings against human beings. We now have a framework agreement to create a Court to confront these evils. It is urgent we do everything necessary to make the Court a reality.

The International Criminal Court will help give new meaning and global reach to protecting the vulnerable and innocent. The most vulnerable and innocent of all are the world's children. I am deeply honoured to be a co-recipient of this award with Mrs Graça Machel. She has drawn on the painful experience of two great nations, Mozambique and South Africa, to mobilize an entire continent — indeed, the entire globe — in defence of a safe and healthy childhood for all. The appalling practice of using child soldiers and the crushing impact of child labour are among the issues that must be addressed.

The Council of Europe, through the North–South Centre, endeavours to reinforce respect for human rights through global linkages. Likewise, the human security agenda has a global reach that transcends continental barriers. Our transatlantic

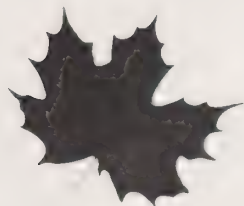
history spans the centuries. As the recreation of the *Creoula's* voyage so vividly demonstrates, it is based on human links and common values.

These shared aspirations make us natural partners in promoting human security. Indeed, we are already working closely on issues such as the landmines campaign, small arms and the International Criminal Court. Canada and Norway, which is an active Council of Europe member of the North–South Centre, have joined together in pursuing a number of human security goals. In January, Canada succeeds Portugal on the United Nations Security Council. We will continue Portugal's efforts to make the only global instrument for safeguarding peace and security more open and more responsive to the changing security agenda.

The great Portuguese explorers challenged the conventional truths of their times. They mapped out uncharted territory. They built new vessels to carry them on their voyages. As a result, they opened up the world and changed history. The human security agenda likewise challenges the received wisdom of global affairs, uses new ideas, and creates novel partnerships and instruments in an effort to improve the everyday lives of ordinary people.

In looking at issues from the point of view of the child, the refugee, the non-combatant — the individual — our human security agenda addresses the concerns of the coming millennium in both North and South. The new partnerships we forge and the synergies we harness will give us new tools to finish an old job, long overdue. It is a task set out in 1949 in the founding principles of the Council of Europe, and as acutely relevant today as ever: to defend human rights and build cohesive, just societies.

Thank you.



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NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE
PERU-CANADA BUSINESS FORUM

TORONTO, Ontario
October 29, 1998
(9:45 a.m. EST)



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Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce international

Canada

Good morning. Let me begin by adding my own welcome to all of our distinguished guests. We are certainly honoured by the visit of President Fujimori, the members of his Cabinet and the impressive business delegation that has accompanied them.

While our weather may be somewhat cooler than what you are used to, we want you to know that our welcome is warm and we are glad that you have come. Welcome.

I want to thank the Canadian Council for the Americas, along with the Embassy, Consulates and Trade Commission of Peru for organizing today's events. This is a wonderful chance to explore opportunities for trade and investment between our two countries, and I applaud your initiative.

I also want to recognize Canada's Secretary of State for Latin America and Africa, David Kilgour, for the outstanding work he has done to promote greater ties between our two countries. David visited Peru last year and came back very enthusiastic about the potential for greater commercial relations with your country.

Peru, of course, is home of one of the greatest civilizations of the past. The ancient Incas, while a nation of only 40 000 people, conquered 10 million subjects to establish an empire larger than the Ottoman Empire at its peak.

Canada, by contrast, is a relatively young country. But while our histories may be different, our futures are connected.

Canada is a nation of the Americas. And we are committed to expanding our trade ties with other members of the hemispheric family — whether through our leadership on the FTAA [Free Trade Area of the Americas], or in aggressively pursuing our bilateral interests in the region.

Canada and the Andean Community are already discussing ways to enhance our bilateral trade relationship by exploring a Trade and Investment Co-operation Arrangement. This would complement the existing arrangements that Canada already has with Mercosur and the Central American Common Market.

We are hopeful that such an agreement with the Andean Community will be reached shortly.

Trade between Peru and Canada may be modest, but it is growing rapidly. Two-way trade last year amounted to \$400 million — an increase of more than 100 percent from 1994.

One of the most dynamic areas of that growth has been Canadian investment in Peru. A little over a year ago, Peru launched a major promotional tour of Canada to explain the opportunities that are awaiting Canadian investors. It is obvious that the message got through.

More and more Canadian companies, especially mining companies, are looking to Peru and choosing to invest in its potential. The mining sector alone has a value of \$4.2 billion. And companies such as Rio Algom, Teck and Noranda are making the largest single investment ever in Peru, to develop Antamina, the largest copper and zinc deposit in the world.

Other Canadian companies, such as Cominco, Barrick, Ontario Hydro and Hydro-Québec, are on the ground and making a large contribution to Peru's economic development.

In addition, significant infrastructure requirements, such as those created by the vast CAMISEA project, or the need for roads, seaports and railroads, also represent tremendous possibilities for Canadian companies and Canadian technology.

Similarly, in the area of telecommunications, with the removal of Telefonica del Peru's monopoly, we see a near-perfect match between what Peru needs and what Canada has to offer.

Because whether it is in mining, energy, infrastructure or telecommunications, Canada offers world-leading technology that will meet the demands of Peru's expanding economic base.

So there is good reason for optimism, and our business communities are already working hard to expand commercial relations between us. Governments must also do their part. In this regard, Canada remains firmly committed to a Foreign Investment Protection Agreement, and while it is not yet ready to be signed, we will continue to work with our Peruvian friends with a view to completing it very soon.

Now we turn our attention to an agreement on double taxation, and I am hopeful that this can be concluded in the very near future.

Such an agreement is an important signal for our respective business leaders, for it represents the need to build a transparent, rules-based investment regime that will inspire confidence.

While Peru is one of the strongest and most open economies in the region, Canadian investors will want to see progress in this area, especially in light of today's economic turbulence.

Similarly, they will want to be assured that disputes concerning the status of their investments will be dealt with fairly and openly by Peruvian regulatory agencies. And so I appeal to my visiting ministerial colleagues to give swift attention to this important part of our partnership.

Another significant part of the government's role is in ensuring progress in the area of human rights and the strengthening of democratic institutions. It is a goal that we all must share. We have worked closely with individuals and civil society in Peru to improve these conditions, and we will continue to invest significant resources in these areas.

I'm sure you'll agree on the importance of sharing the social dividend as the economic dividend increases. Because if history teaches us anything, it is that we can only ensure long-term stability if the benefits are shared and the people are engaged.

People-to-people connections must also incorporate a strengthening of the business-to-business ties between us. A true public-private partnership is a necessity, especially since governments have become smaller. We need to involve the private sector and build a framework through which more companies will be encouraged to pursue the opportunities that the Peru-Canada relationship presents.

Today's initiative by the Canadian Council for the Americas is a strong example of just this sort of business-to-business contact, and we need to do more of it.

Finally, as you know, Canada is currently chairing the negotiations on the FTAA, and we remain very committed to this important undertaking.

From our perspective, the FTAA represents an exciting, ground-floor opportunity. Economies in this hemisphere are growing quickly and undergoing the deep, structural changes that will enable them to compete in the new global economy.

And so the FTAA is a regional priority for Canada and an integral part of our recognition of ourselves as a country of the Americas.

As you know, the FTAA will create the world's greatest trading region. But the benefits will extend far beyond the economic: history records that trade leads to more openness. It breaks down the walls that divide us, and creates common interests that unite us.

So as we go forward with the FTAA, we must not lose sight of the principles of the Miami Summit: principles that remind us that our goal in liberalizing trade is not simply to increase national wealth, but to improve people's lives.

Because at the end of the day, we will be judged not on the grandeur of our plans, but on whether we increased the prosperity and expanded the opportunities of our citizens.

Of course, we are under no illusions about the task before us. I fully expect that in

the months ahead, we will face many challenges and encounter many storms. But when those storms come, we must not run and hide under the shelter of protectionism. We must not succumb to the voices whispering retreat or retrenchment.

Instead, we must stick to our goals. We must continue to pursue the path to freer trade.

Why do I stress this? Because if we let the FTAA slip away, we risk losing a historic opportunity to promote prosperity in the region. It is vital for all of the countries in the Western hemisphere that we maintain the momentum for liberalized trade.

And we see Peru playing a key role in maintaining this momentum. In the days and weeks that lie ahead, we will continue to count on Peruvian support, and to rely on your insights and experience.

Peru and Canada may be divided by distance, but we are united in our common desire to enhance trade between us and indeed, throughout the hemisphere. Together, I believe we can do great things.

So let us build on the momentum we have generated here today. Let us continue to expand our ties and our trade. And let us work together to create a future that is better and brighter for Peruvians and Canadians alike.

Thank you.



International Trade
Commerce international

Statement

Publication

98/73

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE
CANADIAN CLUB OF WINNIPEG

WINNIPEG, Manitoba
October 30, 1998
(1:45 p.m. EST)

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Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
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Canada

In part because your city is home to more than 43 different cultural groups, Winnipeg is a city that understands international commerce. Culturally diverse, with a strong entrepreneurial spirit dating back to its days as a centre of trade — first of fur and then of grain — Winnipeg has always understood the importance of looking outward beyond its own frontiers.

Today, that tradition continues with companies like Loewen Windows and XCAN Grain Pool Ltd., which see the whole world as their marketplace.

And these companies are not unique. Today, Winnipeg products are sold around the globe: designer dresses in New York, buses in San Francisco, fibre optics in China and solid rocket fuel to NASA.

Throughout Winnipeg and across Manitoba, the spirit that always looks beyond the next milestone is energizing entrepreneurs and creating jobs for today and tomorrow.

And there is no greater creator of jobs than trade. Now, as Minister for International Trade, I am expected to say that. But consider these facts:

Trade has become a huge part of our economy. In fact, exports alone account for 40 percent of our GDP. And one out of every three jobs in this country is related to trade.

Quite simply, trade has become the main engine driving our economic growth.

Companies like Winnipeg's own Standard Aero are leading the way — winning not only markets, but Canada Export Awards as well.

And in the process, Canada has established itself as a trading power in the world. Per capita, we now export three times as much as the Americans and twice as much as the Japanese. Little wonder, then, that *Time* magazine has called us an "Exporting Superhero."

But, as the saying goes, "there is nothing harder on your laurels than resting on them," and if we are to continue to grow, if we are to continue to provide the economic opportunities that Canadians expect and deserve, then there are at least three immediate challenges that must be met.

First, we need to dramatically increase the number of companies exporting.

It is often said that Canada is a trading nation and — as we've seen — that is certainly true. But while we may be a trading nation, we are not yet a nation of traders. By that I mean that relatively few companies are doing most of the exporting. In fact, just 50 companies account for about half of all our exports.

And only 10 percent of small and medium-sized companies (SMEs) are selling their goods or services abroad.

And that is simply not good enough.

How do we encourage more companies to export? First of all, we have to ensure access to important markets. It is a simple fact of business life that you can't sell if you can't get in.

So securing access has been a priority for us since coming into office. We have signed free trade agreements with Chile and Israel. And we are in the process of commencing free trade negotiations with the members of the European Free Trade Association.

We have also been active in APEC [Asia-Pacific Economic Co-operation forum], to expand the opportunities for Canadian companies in the Pacific Rim. And let me just say that while Asia is in the midst of some turbulent times, we remain firmly committed to this region.

Canada has also been a very active participant in establishing a Free Trade Area of the Americas, which will unite this hemisphere as never before.

We have also been working hard to expand the benefits of the North American Free Trade Agreement with the United States and Mexico. And we continue to support the vital work of the World Trade Organization.

With all of these efforts, our goal has been simple and our purpose clear: obtain the best possible access to the widest range of markets so that Canadian companies — large *and* small — can go in and compete, on a level playing field, for the jobs and growth that will sustain our economy.

But access is only half the battle. If we are going to get more SMEs exporting, we also need to let them know that international trade is not just "for the big guys."

On last January's Team Canada trade mission, I was very encouraged to see that more than 75 percent of the participants were from small and medium-sized companies.

They recognized that the ability to be innovative and adapt quickly — which is characteristic of so many of these smaller companies — is a highly valued asset in an increasingly interconnected global marketplace.

To encourage more small and medium-sized businesses to export, we have launched a number of programs and an entire range of services designed to meet their particular needs. Let me just touch on some of them.

We have created a huge database called WIN Exports, which helps to match what Canadians have to sell with what others around the world want to buy. By registering your business with WIN Exports, you can have our Trade Commissioners around the world on the lookout for potential customers for you.

We have also brought all of our existing trade promotion services under one umbrella called Team Canada Inc, which builds on the spirit and the success of the Team Canada trade missions.

Of course, a key concern for any small business is financing. EDC [Export Development Corporation] has created a special unit devoted to meeting the needs of smaller companies. Last year, EDC increased its volume of business to nearly \$5 billion — an increase of 23 percent over the previous year.

A key component of Team Canada Inc is ExportSource — a new Internet site that contains all the information SMEs could want on exporting. No more running from department to department — just a click of a button, seven days a week, 24 hours a day.

Finally, we have created a special unit at the Department of Foreign Affairs and International Trade devoted exclusively to the export needs of small and medium-sized businesses.

The bottom line is that we want to be partners in your success and are working to ensure that you will get the help and support you need to take your product or service abroad.

So expanding our trade culture to involve more SMEs is our first challenge. And it also represents an exciting opportunity to gain a competitive advantage as the dynamism of these enterprises is brought to the world stage.

The second challenge is the need to diversify our export sector base.

There are still too many countries that think of Canada exclusively as a resource-based economy. The reality is that only about 12 percent of our GDP is related to commodities.

Indeed, as a percentage of our exports, commodities have declined from 60 percent in 1980 to just 35 percent in 1997. By contrast, machinery and similar equipment has risen from just 11 percent of our exports in 1971 to 23 percent today.

The fact is we have much more to offer potential customers than just the resources of our land — we also have the resourcefulness of our people. Canada today is a world leader in telecommunications, information technologies and aerospace. Companies like Bristol Aerospace and Bombardier have created the third-largest aerospace industry in the world right here in Canada.

And it isn't just products that we have to sell. We also have tremendous expertise in the public sector, for example, and can provide technical assistance to foreign governments in areas as diverse as tax collection, broadcasting policy and systems of justice.

We are not used to thinking of these as the subject of exports, but they are highly valued around the world and we need to do a better job of selling them. To do that, we will need to train our Trade Commissioners so that they are as comfortable marketing our wisdom as our widgets.

Another unconventional area of exporting is education. The University of Manitoba accompanied us on the last trade mission, and many other educational institutions have found that not only can they provide training and courses in foreign countries, they can also attract international students to study here in Canada.

We also need to look at such cultural products as Canadian films and television programming as export commodities and work at bringing them to the international marketplace.

So there's a whole range of Canadian capabilities that can and should be exported. And as we do this, we will be putting a "new" Canada on display around the globe.

Third and finally, we need to attract more international investment to Canada.

This is the often-overlooked variable of the trade and investment equation. We all understand the importance of trade, but the reality is that investment matters just as much. In fact, trade and investment are opposite sides of the same coin.

Canada needs investment from abroad. This investment brings technology-rich jobs, research and development, and talented people to Canada and increases Canadian subsidiaries' capacity to compete in global markets.

But we also know that this kind of investment does not just fall into our laps; we need to be aggressive in going after it and in marketing Canada to the world.

Our performance in this area, quite frankly, is not as strong as it should be. In fact, our share of the world's direct foreign investment has slipped from about 11 percent

in 1980 to 4.5 percent in 1996. Back in 1980, 26 percent of all foreign investment in North America came to Canada. Today, the figure has dropped to 16 percent.

Part of that can be attributed to the increasing competition for those investment dollars — we are not the only country that has seen the local benefits from international investment.

But part of the reason is that we have not done as good a job as we should selling Canada to the world. The federal and provincial governments should work as closely together on the investment file as they do on the trade front. Too often, the provinces want the federal government out of the investment field, preferring to go it alone. And too often, the federal government does not harness well enough the provincial and regional attributes of our country. The federal government brings the best brand name to the table — Canada — as well as offices in 130 countries. The provinces bring their natural and competitive advantages to the fore. So, rather than mistrust, we should apply the first lessons of Team Canada to investment; namely, that Canada works best when it works together.

So today, I am inviting you to be an integral part of the team that is selling Canada to the world. I want those of you in the private sector to join with us at the federal and provincial levels of government, and do for investment what Team Canada has done for trade.

I want you to tell your contacts abroad that Canada is not just a market of 30 million people, but also a gateway to the vast North American market, and to Asia Pacific and Latin America as well.

We need to tell them that ours is a high-tech economy. We need to remind them that we have one of the best-educated workforces in the world, a low-cost business environment and a quality of life that is second to none.

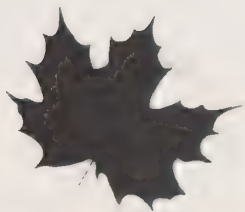
In short, we should be the location of choice for their investment dollars, guilders, yen and marks. As the world gets smaller, we should all envision a Canada that gets larger and stronger.

Canada is a great nation. And we have enjoyed many successes on the international stage, which has provided us all with pride and momentum. This certainly includes our trade and commerce performance, where Canada indeed has come of age.

If we can continue to meet our challenges: of getting more companies — especially SMEs — to start selling abroad, of diversifying the nature of our exports, and of attracting more foreign investment to Canada, then I believe our future into the next millennium will be brighter than we can imagine.

So let us continue to expand our frontiers and our fortunes. Let us continue to build bridges and tear down barriers. And let us continue to provide our people with markets for their products, rewards for their labour and hopes for their future.

Thank you.



International Trade
Commerce international

Statement

98/74

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE
ITALIAN CHAMBER OF COMMERCE OF MANITOBA

WINNIPEG, Manitoba
October 30, 1998
(10:15 p.m. EST)

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Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
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Canada

I would like to thank the Italian Chamber of Commerce of Manitoba for inviting me to this great launch.

Among many things, this new Chamber reminds those of us who trace our roots back to *Italia*, that our loyalty is not so much divided as it is shared with Canada: it is the best of both worlds — the old and the new — and I know that all of us value the rich inheritance that we have received.

Just as our ancestors reached across the Atlantic for new opportunities, so today, we must extend ourselves beyond our frontiers, to embrace the possibilities that await us. Not to uproot, as they did, but to invest. Not to begin new lives, but to explore new opportunities. Not to leave as emigrants, but to trade as partners.

For me, the establishment of your new Chamber means at least three things:

First, it declares in no uncertain terms that Italian-Canadians mean business.

As I thought about this new Chamber, I realized that it is the perfect symbol of the changes that have occurred since our ancestors landed on these shores.

It represents the new direction, set by a new generation of Italian-Canadian entrepreneurs, who are helping to promote the new face of the new Canada to the world.

In fact, I think the establishment of this Chamber says a lot about our place in Canada today.

Whereas in the past, we almost exclusively used to open social, cultural or regionally based associations — which are needed and valuable to the life of our community — today we are also establishing commercial organizations devoted to developing economic opportunities.

As a result, we are completing the circle for our community; we enrich it and we extend its reach. It also represents an act of leadership by our generation, in meeting the challenges of today, providing economic opportunities for our children and creating economic prosperity for our country.

What we are doing is building on our roots. We are building economic bridges to Canadian business circles, just as our forebears maintained the strong bonds of family and friendship. The two values are complementary — culture and commerce — and they come together perfectly in the family of Italian Chambers of Commerce across Canada, including, of course, the new kid on the block from Winnipeg.

And what is true of the Italian community is also true of our multicultural and multilingual society, which constitutes an enormous competitive advantage in tapping into other markets around the globe.

As we all know, Canadians have ties to every corner of the globe, and there are very few countries indeed that can look to Canada and not see their own reflection.

This provides an important edge over our competitors: people tend to trade with countries they feel comfortable with, in languages they speak and with cultures they understand.

Most countries simply don't have this advantage. So while we Canadians sometimes debate the value of multiculturalism, I strongly believe that we ignore this great asset at our peril, both domestically and internationally.

Second, in celebrating the opening of this new Chamber, we are also celebrating the importance of the Italy-Canada relationship.

And nowhere was that relationship more in evidence than during the Prime Minister's trade mission to Italy last May.

The interest in Italy was overwhelming, and we left Canada with great enthusiasm and high hopes. And we weren't disappointed!

During the mission we emphasized building our economic relationship. Both the Prime Minister and I stressed the importance of Canada as an investment destination, and the need to expand our bilateral trade.

To be sure, trade between our two countries is already substantial: in 1995, it totalled more than \$5 billion. But that's barely one week's worth of trade between Canada and the United States. We know that we can be doing more — much more — and we set ourselves the goal of doubling trade between us within the next five years. That's ambitious, but I'm confident that we can achieve it.

And there's no better way to reach that goal than through people-to-people contacts — getting Canadian and Italian entrepreneurs to learn more about each other, to talk to each other more and to explore avenues for co-operation and mutual benefit.

In that effort, this Chamber has an enormous role to play. As well, you can help us to engage the most dynamic component of our respective economies — our small and medium-sized enterprises [SMEs].

Italy's small and medium-sized companies are known worldwide for their key place in the Italian economy and for their export strategy. They are flexible, they move quickly to exploit new market opportunities, and many are concentrated geographically according to industry sectors so that they support each other through innovation and information. It is a model from which other countries, including Canada, can learn a

great deal. And these small and medium-sized companies account for 40 percent of Italy's exports.

Canadian SMEs are a very key component of our economy. They create most of the new jobs, and are fastest to move into evolving market niches for products and services. But only 10 percent of them are exporting.

Our collective challenge is to increase that number and to expand our trade culture to the point where Canadian businesses, large and small, seize the opportunities that await them abroad.

During our mission, which obviously should be part of your Chamber's new mission statement, we also wanted to reconnect Italy and Canada as modern-day partners of privilege.

This covers not only the economic side — where Canada, the world's seventh-largest economy, is a gateway to the vast NAFTA [North American Free Trade Agreement] market and Italy, the world's fifth-largest economy, is a key player in the European Union — but also the political side — through our common membership in the G-8, where we express views born of a common world view and based on similar positions as middle powers.

And, of course, our relationship encompasses the familial, people-to-people connections.

I can't emphasize this last point enough. One of Canada's key competitive advantages is sitting in this room. Canadians of Italian descent — and there are one and a half million of us in Canada — constitute a natural bridge between our two countries.

We offer a wealth of information and an experience for the Canadian market that can be shared with potential partners in Italy. Communication is much easier through the use of a common language and culture. In short, we know one another, we understand one another.

It's a perfect match, and we have to work hard to capitalize on this outstanding aspect of the Italy-Canada relationship — this real sense of family.

But this will require that we present the new face of Canada to Italy. And this is where your Chamber can help tremendously.

As you well know, too many Italian business people still see Canada as a commodity-based economy. The reality, of course, is that only about 35 percent of our exports are commodities — amounting to only 12 percent of our GDP.

So during the Prime Minister's mission, we aggressively made the case that when Italians think of Canada, they should be thinking high-tech. They should be thinking of a knowledge-based economy fired by information technology, fuelled by telecommunications and fortified by the third-largest aerospace industry in the world.

As dynamic business ambassadors, you can — and must — help in selling the new, improved version of the Canadian economy. The 1998 model, and not the romantic, fuzzy feel-good model of 1948.

Finally, this new Chamber symbolizes the importance of our growing ties to Europe.

Stronger economic bonds with Europe are vital to Canada. Next to the United States, it is our largest trading partner, and we have moved decisively in recent years to enhance that relationship. In 1996, we signed the Canada-EU Action Plan. We have also commenced free trade negotiations with the four member states of the European Free Trade Association [EFTA]. And if we are successful on these EFTA talks — and I think we will be — this will represent the first transatlantic free trade agreement.

Italy is at the forefront of developments in Europe, as a major player in the consolidation of the EU's internal market and as a member of the European Monetary Union. It is our hope that there will be greater efforts by all European governments to adjust trade and investment regulations in ways that will facilitate — not frustrate — new transatlantic ties with Canada.

In order to steer our trade talks in an effective manner, we have suggested that Europe combine its present three-pronged strategy, which involves separate negotiations with Canada, Mexico and the United States, into a single set of negotiations between the European Community and the NAFTA community.

It just makes more sense to have one superhighway for trade rather than three separate roads running between North America and Europe. Clearly, business leaders on both sides of the Atlantic want and deserve an integrated approach that will effectively facilitate two-way commercial traffic. As a new Chamber, your active support for this vision would be welcome and most helpful.

You know, we hear a lot about the contribution of immigrants to Canada. For some, that is something to be read about in textbooks or seen in movies. But for many of us, that history is recorded in our family scrapbooks, in our photo albums, in our life experiences.

As in the rest of Canada, the immigrant contribution to Winnipeg has been an insistence on excellence and a willingness to work for it. It has been about doing the best with the opportunities we were given, and working hard to create new opportunities, better opportunities, for our children.

Most of our parents or grandparents arrived here with little more than what they could carry. And you and I are proud inheritors of their legacy. Today we are relatively prosperous because many of them struggled through difficult yesterdays. Can we do any less for our children and grandchildren? Can we, who started with so much, do less than those who started with so little?

Of course not. And that's why we too need to go beyond our frontiers and open up new markets around the globe. That's why we need to expand trade with old friends such as Italy. And that's why we need to embrace the opportunities of freer trade — in Europe and elsewhere.

Today, we are again called to build for the future. Today, your Chamber and our community are again called to continue the task of nation building; a task so ably commenced by our forefathers and mothers.

Let us take up the challenge together, and let us build for our children as our parents and grandparents built for us.

Thank you.

Statement

98/75

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE CONFERENCE
“CHILDREN CAUGHT IN BETWEEN”

OTTAWA, Ontario
November 6, 1998
(5:00 p.m. EST)



This document is also available on the Department's Internet site:
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Canada

It is a pleasure for me to open this Conference and to welcome you to the Department of Foreign Affairs and International Trade. I welcome in particular Damien Ngobonziza, the Secretary-General of International Social Service from Geneva. It is especially fitting to welcome you all here this week. We are celebrating the 25th anniversary of the Lester B. Pearson Building. One of the themes we are showcasing is our effort to build new partnerships with civil society to meet the challenges of the next century. Your presence here demonstrates this concept in practice. I know that Senator Pearson, my adviser on children's rights, is proud to be involved in these activities in the building that carries her family name.

In considering our responsibilities to our children, I am reminded of a quotation by the Opaskwayak Elders of the Cree Nation to the effect that "there is a common belief among the Cree Nation that a child is a gift or loan from the Great Spirit and that one is given the responsibility to raise and care for that child. Since a child is a gift from the Great Spirit, the child is sacred and must be treated with respect and dignity."

For almost 75 years, International Social Service has been the embodiment of this noble sentiment. It has developed a well-deserved reputation as a protector of children caught in the cracks of the nation-state system. During those 75 years, there have not been many organizations or persons who have sought to draw attention to children's problems while giving them some measure of hope. However, in recent years many have joined International Social Service in their quest to help put the plight of the world's children at the centre of the international agenda.

The need to safeguard children's interests is as compelling as ever. Ten years ago, the Convention on the Rights of the Child was concluded. It set the international standard for our responsibilities to our children. However, a decade later, their security remains under siege. The theme of your seminar — Children Caught in Between — captures only too well the precarious condition of so many of the world's children.

The world has changed dramatically since the Convention was concluded. But in many ways we have not moved beyond the traditional view of children as chattels. They are pawns in disputes between parents; they are pawns in larger conflicts such as those in Kosovo, Afghanistan, the Congo or Rwanda; and they are pawns in the selfish designs of others who exploit them for sexual or economic purposes.

Addressing this victimization of children is a central element of the more human-centred approach we are taking to our foreign policy. Increasingly, the challenges facing the international community transcend borders and directly affect the everyday lives of ordinary people: illicit drugs, environmental despoliation, armed conflict, small-arms proliferation, terrorism. As a result, we have been reshaping our approach to make the security of the individual — human security — a central impetus for action.

In our changed world, it is the most vulnerable, in particular children, who are the most at risk, who pay the highest price, and who consequently demand the closest

attention. For this reason, Canada is committed to making the welfare of children a top priority in pursuing its human security agenda.

Children's security begins at home. A safe, stable home environment is the foundation for a child's future. Family breakups put this at risk. As you know well, when these breakups cross national borders, the dangers, anxieties and uncertainties for children are exacerbated.

Canada has been active in finding solutions to international child custody and abduction problems. We were at the forefront in developing the Hague Convention on the Civil Aspects of International Child Abductions. The Convention has now been ratified by 50 countries.

However, the obstacles to gaining broader adherence to the Convention are real enough. The Convention deals with intensely emotional, psychological, social and family issues — many of which are heavily influenced by religious, cultural and economic concerns. Consequently, many countries are reluctant to yield what they consider private and personal matters to international scrutiny.

Nevertheless, for every child who is returned to his or her custodial parent, there is tremendous satisfaction. Two decades after the conclusion of the Convention, this provides all the inspiration we need to continue convincing others to sign and ratify. In the coming months, we will renew our efforts to that end.

In addition, we are exploring bilateral and other tools — aimed at resolving parental abductions and dealing with problems of access — to supplement the Convention. I recently signed such an arrangement with Egypt. This might provide a model in other situations.

While we pursue international action, we also need to move ahead with changes here at home. To that end, I am encouraged that last month the Government of Ontario introduced legislation to give effect within its jurisdiction to the Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption.

I would also like to commend both Senator Landon Pearson and Colleen Beaumier, the Member of Parliament for Brampton, for their outstanding contributions. Ms. Beaumier and her colleagues on the House Sub-Committee on Child Abductions have produced a far-ranging report that includes 14 recommendations to prompt action across the spectrum of issues associated with child abductions. I am pleased to note that the report was tabled in the House of Commons just this past week. Many of its recommendations are already being implemented.

Senator Pearson has been co-chairing a Special Joint Senate and House Committee on Child Custody and Access. The Committee's report will be ready shortly and will

bring fresh ideas and novel approaches to these issues. In particular, I am hopeful its work will help us discard once and for all the conception of children as property.

Children's security begins with a safe home but extends far beyond it. We have focussed on three issues of particular concern: the sexual exploitation of children, child labour and war-affected children.

Perhaps there can be no more heinous threat to our children than sexual exploitation. It robs them of their innocence and can inflict lifelong damage. Today, the predators' reach is worldwide, demanding global solutions. To deal with this threat, Canada has been working at the UN to develop a protocol to the Convention on the Rights of the Child. It will require countries to criminalize activities associated with the sale of children, child prostitution and child pornography. It would also urge countries to extend their jurisdiction on such matters to acts by their citizens in other countries.

Canada has already taken steps on extraterritorial reach. We now have the means to prosecute Canadians who engage in commercial sexual activities with children while abroad. We are working to ensure the law is enforced. I am encouraged that other countries are moving in the same direction. There can be no tolerance and no sanctuary for such activities.

In our wired world, the Internet poses a new challenge. It can transport the best but also the worst, including child pornography and child exploitation. This is abuse that must be stopped. We are working with other governments — through the OECD [Organization for Economic Co-operation and Development], the UN and other bodies — to prevent the Internet from becoming a safe haven for those who seek to harm children.

While we weave an international net to ensnare predators, we must also take action to free those traumatized by exploitation. This spring, Canada hosted "Out from the Shadows," an international conference of youth from across the Americas who had experienced some form of sexual exploitation.

It gave them a voice. We now need to listen to and be guided by their experience. Their Action Plan is contributing to our efforts at the UN; Canada sponsored a meeting at which the participants presented their recommendations. As a result of the conference, we are undertaking projects with Canadian NGOs [non-governmental organizations] for sexually exploited youth in Brazil, the Dominican Republic, Honduras, Bolivia, Peru and Chile. These projects will focus on counselling and rehabilitation, education and training, and reintegration into the workforce and community.

Child labour ranks among the most insidious and vexing issues in promoting children's security. It is a complex challenge defying easy definition and

straightforward answers. We are approaching it from both a development and human rights viewpoint.

Child labour is closely linked to extreme poverty. This is why Canada is addressing the issue through an assistance program that places priority on poverty reduction and meeting basic human needs — for example, investing in primary education, creating alternative employment opportunities for adults, and undertaking projects specifically targeted at child labour.

From a human rights perspective, not all forms of child labour are exploitative or abusive. However, those that deprive children of their right to realize their potential and that expose them to hazardous and dangerous work do contravene basic human rights. These need to be confronted.

It is to that end that efforts are underway at the ILO [International Labour Organization] to develop a new Convention aimed at eliminating the worst forms of child labour — hazardous work, debt bondage, forced labour and slave-like conditions — as well as children in prostitution, pornography and drug trafficking.

Canada has been active in this undertaking through co-operation at the federal and provincial levels and with employers' associations and labour organizations. Our aim is to develop an effective and simple instrument that would be ratified — and, most importantly, adhered to — by the largest possible number of countries. We hope the Convention will be adopted next year. It will help set the international standard against which countries can be assessed.

We are supporting the ILO in other ways. With Canadian assistance, the ILO's International Program for the Elimination of Child Labour (IPEC), which aims to develop, test and apply "best practices" in eliminating the worst forms of child labour, is already in place. This April, we contributed to another ILO program (SIMPOC — Statistical Information and Monitoring Program on Child Labour) to gather data on child labour in about 40 countries.

Armed conflict poses a devastating, brutal threat to children's security. In the new world disorder, they are the victims, targets and instruments of war. The UN Secretary-General's Special Representative for Children and Armed Conflict, Olara Otunnu, reinforced this in his report last month. As he indicates, our failure "to save succeeding generations from the scourge of war" has been profound. In almost one-third of the world's countries, children are suffering from the effects of conflict and its aftermath.

Canada's approach is multidimensional. We are working to develop international standards to apply to war-affected children, including child soldiers. UN members are considering a proposal to raise the age of recruitment and participation of children in

hostilities to 18 years. My colleague, the Minister of National Defence, and I are actively looking at how to change our domestic legislation in this area to support these efforts.

As elsewhere, standards are important but not sufficient. Action on the ground is critical. Through our Peacebuilding Initiative, Canada is supporting projects aimed at demobilizing and reintegrating child soldiers in Uganda, Liberia and the Democratic Republic of Congo. Our hope is that eventually these children will take an active part in rebuilding their communities and make a positive contribution to the construction of a stable and peaceful society.

In July, I announced a cultural initiative on children and war. I have allocated \$200 000 for cultural projects to provide art therapy to war-affected children and to raise awareness about the issue. A small step, perhaps, but an innovative one that we hope will have an immediate impact on the lives of these children.

Political and public advocacy is also important. We actively support Mr. Otunnu in his role as advocate, as mediator with governments and rebel groups that target children, and as a possible co-ordinator of efforts between UN agencies and the UN Secretariat on war-affected children. Canada is part of a core coalition of countries that advise Mr. Otunnu and that, together, can exert political pressure on states that abuse children in situations of armed conflict.

Partnerships with civil society are essential. In recognition of their important role, we have created a government-NGO Committee on War-Affected Children, to be chaired by Senator Pearson. This will help shape our approach and produce concrete suggestions about the way forward.

Promoting children's security is central to promoting human security. Protecting children from the consequences of broken homes, from sexual predators, from labour exploitation or from the traumas of armed conflict is inescapably linked to our broader aspirations to build stable societies. We cannot hope to build a secure world without regard to those who will inherit it.

The work of International Social Service serves as an inspiration. In the great tragedy of Rwanda in 1994, International Social Service did not flee to work in less troubled areas. It started a project entitled "A Child, a Family in Rwanda." The children of Rwanda were the victims of the past and present, but International Social Service recognized that they were also the hope of a new Rwanda. They saw the child and, in doing so, they saw the future. They embraced the sacred trust we have to our children so eloquently described by the Opaskwayak Elders. We can do no less.

Thank you.



International Trade
Commerce international

Statement

98/76

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
TO THE
PARTNERING AND INVESTING IN CANADIAN TECHNOLOGY
SEMINAR

SINGAPORE
November 13, 1998
(9:30 a.m. EST)

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce international

Canada

I am delighted to be here today and to participate in this important Seminar. Of course, any Canadian would be happy to come to Singapore in November! I just checked with my office and it's snowing in Ottawa. So I appreciate the warmth — both of your weather and of your welcome!

Let me begin by congratulating the organizers of today's Seminar. This has been an excellent opportunity for Canadian companies to showcase their products and services and to present an image of Canada that perhaps many Asian business leaders hadn't seen before.

It is also very timely. Tomorrow Prime Minister Chrétien will witness the signing of a Research and Development and Commercialization Agreement between the Singapore Institute of Molecular and Cell Biology (IMCB) and the Medical Research Council of Canada.

This builds on an earlier successful partnership between the IMCB and the University of British Columbia. So the precedents for productive joint ventures between our two countries have already been established — and now we must multiply and expand them.

Today's seminar also reflects the fact that both Canada and Singapore are building their futures on a common foundation: the foundation of knowledge-based industries.

Both countries have recognized that the future belongs to those nations that invest in knowledge, innovation and education; that our wealth will be determined, not by the size of our armies, but by the strength of our ideas.

And both countries know that the health of an economy will be judged by the number of computer programs written, the patents registered and the degrees conferred.

And so I welcome this opportunity to tell you more about a Canada you may not know, leading the world in areas you might not expect.

I think it's safe to say that many in Singapore still see Canada as a land of lakes and trees — a resource-based economy ruled by Mounties and populated by hockey players. Well, that's a nice image, but it's also a little dated!

The fact is that the percentage of Canadian exports attributable to commodities has fallen from about 60 percent in 1980 to just 35 percent in 1997. This represents only about 12 percent of our GDP!

When Singapore business people think of Canada today, you should be thinking high-tech. You should be thinking a knowledge-based economy, fired by information technology, fueled by telecommunications and fortified by the fifth-largest aerospace industry in the world.

You should be thinking of a country that is number one in the G-7 in home computer, cable and telephone penetration. Number one in the G-7 in technology potential. A country that has put every school and library online.

As you have seen today, Canada is also a world leader in telecommunications and information technology. Last year, we signed a Memorandum of Understanding with Singapore to encourage greater co-operation in Information and Communication Technology, and that agreement is working well.

The bottom line is that Canada has much more to offer than the resources of our land — we also offer the resourcefulness of our people and I am hopeful that Singapore and Canada will do much more together in the area of technology.

I would also like to see more Singapore investors looking to Canada when they want to expand their businesses abroad.

Canada stands as a gateway to the vast North American market, through our participation in the North American Free Trade Agreement. We are also a trans-Pacific bridge to the Americas, through our involvement in APEC [Asia-Pacific Economic Co-operation forum], our leadership in negotiating a Free Trade Area of the Americas and our Free Trade Agreement with Chile.

In fact, Canada is ideally positioned and anyone looking to establish a base that will give them access to some of the largest, richest and most dynamic markets in the world, should think of locating in Canada.

Of course, location is important, but we know that investors are looking for more than just proximity.

They are also looking for sound economic fundamentals and those of Canada are among the best in the world. We have balanced our budget — the first G-7 country to do so. Inflation and interest rates are low and growth is strong.

The Financial Times of London calls Canada the "top dog in the G-7" and the Economist Intelligence Unit agrees, putting Canada among the top five places in the world to do business over the next five years.

Certainly, the many foreign corporations with investments in Canada wouldn't disagree. Their profits have risen an average of 50 percent over the last two years.

Investors are also looking for a low-cost business environment.

KPMG, an international consulting company, recently conducted a study that compared the cost of doing business in Germany, France, Italy, the United States, the United Kingdom, Sweden and Canada — and ranked Canada number one.

And this cost advantage wasn't restricted to one or two locations in Canada — we were found to be a low-cost locale from coast to coast, with the entire country offering opportunities and advantages for international investors.

The study also found that Canada offers the most generous R&D [research and development] tax credits in the world!

These are some of the “hard cost” advantages Canada offers. But there are also the “softer costs” involved in deciding where to locate — the quality of life considerations.

And Canada offers many advantages on that front too. Advantages like a healthcare system that doesn't check your credit rating before it checks your blood pressure. Advantages like safe communities, clean streets, a superbly educated workforce and spectacular beauty.

Let me emphasize the quality of the Canadian workforce. It is among the most educated in the world. Of the top 20 electrical engineering departments in North America, nine are located in Canada.

Nor is it an accident that Microsoft recruits more graduates from one Canadian University — Waterloo — than it does from anywhere else, year after year.

We have worked hard to create a first-rate education-technological infrastructure, with widespread collaboration between industry and university research departments.

Canadian workers are also among the most loyal in the world and this low turn-over means less money on training and higher productivity.

Finally, Canada is home to thousands of small and medium-sized enterprises (SMEs) — among the most dynamic and innovative in the world — which are always looking for new opportunities to form partnerships with firms just like yours.

When you add up all of these factors -sound economic fundamentals, a knowledge-intensive economy, a low-cost business environment, a highly educated workforce, vibrant SMEs and a quality of life that the United Nations has rated number one in the world for five years running — you have an ideal place to invest, expand a business and raise a family.

Of course, you would expect me to say that. After all, I'm hardly impartial! So don't take my word for it — talk to your Asian and European friends. Ask them about the

numbers their Canadian operations are posting and then visit us and decide for yourselves.

The opportunities for partnerships between Canadian and Singapore companies are truly amazing. We are just scratching the surface and much potential remains untapped.

Similarly, the Singapore business community is just becoming aware of the opportunities for investment that await them in Canada.

If it is true that "the journey of a thousand miles begins with a single step," then I believe we have taken an important step today. We have blazed a trail, but we have not reached our destination.

So let us continue to take those steps together. Let us continue to work together as partners, plan together as colleagues and walk together as friends. If we do, I know that the journey will be worthwhile — and the path rewarding — for both nations.

Thank you.

Statement

98/77

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE
APEC MINISTERIAL MEETING

KUALA LUMPUR, Malaysia
November 15, 1998

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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If we are to achieve our objectives for renewed confidence, growth and prosperity for the region, we must draw upon our most valuable asset, our commitment to co-operation.

The goals that we set for ourselves only two years ago through the *Manila Framework for Strengthening Economic Co-operation and Development* reflected the growing recognition that economic security is closely tied to human security, and both are integral to success in achieving the objectives of this organization.

If attaining sustainable growth and equitable development and reducing economic disparities were important to us then, they are all the more relevant in the current economic and financial environment that affects the region.

If we cared enough to want to improve the economic and social well-being of our people then, surely we must be willing to continue to enhance our ability to work together to address the human face of the crisis now.

Economic and technical co-operation helps us build stronger, more resilient and more responsive economies and societies.

We have achieved a great deal since Manila, and I am personally gratified to see that we now have a *Framework for Emergency Preparedness*. Recent natural disasters reinforce its value. Malaysia's focus on skills development and on science and technology is timely and ever more important.

Making globalization work better is more than a slogan. It is a necessity. Our agenda must reflect these new issues. APEC's task force on the human resource and social impacts of the financial crisis has made a significant contribution to our understanding of the human elements of the crisis and what we can do about it.

The recent APEC Women's Ministerial meeting was a great success, not only because it recognized that women play a vital role in the economy and trade, but also because it underscored the disproportionate impact that the financial crisis has had on women and the key role they can play in the region's economic recovery. The *Framework for the Integration of Women in APEC* is not a luxury. It is an absolute necessity and it must be implemented. It is in our interest to move ahead with it expeditiously. Canada will continue to show leadership in this area and we applaud our colleagues from the Philippines for theirs.

The principles that we agreed upon in Manila included "constructive and genuine" partnership and consensus building. Just as we have all benefited from constructive and genuine partnerships across borders and with business, so too can we benefit from partnerships with others.

Why? Because our ultimate goal within APEC is to increase the prosperity and living conditions of the people of our respective economies. To do this, we need to listen to our people — to engage them and help mobilize their commitment.

We are already engaging our business communities, but we need to do more. We need to reach out to women and youth, to academics and grass-roots groups.

The financial crisis has launched much debate about the future of the Asia-Pacific region. We need to include these groups in this debate. After all, it is their future, as much as ours, that we are debating.

In times of difficulty, we cannot afford to exclude any voices from the discussion. As Prime Minister Chrétien said yesterday in Singapore, freedom to express conflicting views frankly is essential to finding lasting solutions.

Engagement with other sectors of society will build public support for the APEC agenda, as well as provide much-needed input for more effective public policies.

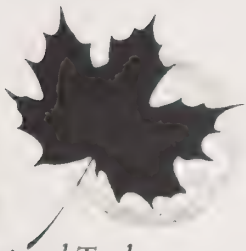
Therefore, I am proposing that we recognize formally the importance of deepening co-operation and enhancing APEC dialogue with a wide range of partners to help realize our goals of regional growth and prosperity and the well-being of our people, especially in light of the social implications of the financial crisis. To this end, I would propose that we establish an ad hoc task force to identify the means of deepening engagement of interested sectors of society in the APEC process.

I am not proposing any particular mechanism. There are many questions that need to be answered beforehand:

- What should be its objectives?
- What issues would benefit most from such dialogue and engagement?
- What are the appropriate modalities for input from these sectors of society?
- How will they be selected?
- What are the financial implications?

Our proposal does not seek to answer these questions now, but rather to have them addressed by the task force, which would report to our senior officials during the year that New Zealand chairs APEC. I would like to see this proposal reflected in the agenda and in the statement.

Thank you.



International Trade
Commerce international

Statement

98/78

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
TO THE
OPENING CEREMONY OF THE
CANADA-CHINA BUSINESS COUNCIL
ANNUAL GENERAL MEETING

BEIJING, China
NOVEMBER 19, 1998
(11:30 a.m. EST)

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



It is an honour to share a podium with a very good friend of Canada, His Excellency Sun Zhengyu. When I was here, just over eight months ago, your new boss, Minister Shi Guangsheng, had just assumed his new responsibilities as Minister of Foreign Trade and Economic Co-operation.

Neither he nor I knew at the time just how exciting — and challenging — that job would be. Minister Shi and I were reflecting on this when we met in Kuala Lumpur. It has been a period of great progress and important reforms in China.

I am also delighted to be part of the 20th anniversary celebrations of the Canada-China Business Council [CCBC], which continues to do such an outstanding job of promoting greater trade and investment between our two countries.

Twenty years is a long time. I am told that, in 1978, there were only a few dozen taxis here in Beijing. Today, there are more than 60 000. If it is true that the number of taxis reflects the vitality of the local economy, then Beijing is certainly booming!

A Beijing resident of 1978 would hardly recognize their city in 1998. Shimmering new towers and the throb of commerce proclaim its progress. And karaoke clubs, Calvin Klein jeans, and Céline Dion on the radio confirm its openness.

But the changes evident here in Beijing symbolize the dramatic changes that have swept through all of China — and, indeed, all of Asia — over these past two decades.

Today, I would like to speak for a few moments about some of those changes and about the role I see the CCBC playing in the new landscape of the new China.

The importance of this Council in developing our commercial relationship with China can hardly be overstated. Working closely with governments, it has come to epitomize the best of the private-public partnerships that are increasingly needed in the global marketplace.

Since 1994, our Prime Minister and a Chinese leader have participated in every one of your Annual General Meetings. I can't think of any other Association that can make a similar claim to such high level political support.

The CCBC is uniquely positioned to contribute to the expansion of trade between China and Canada and I think it is important to do so on at least four fronts:

First, you can act as a steady hand in times of turmoil, reminding us of the potential behind the problems.

The past year has been a period of tremendous upheaval. The Asian financial crisis has had a dramatic impact on economies, both in this region and around the world.

Canada continues to be involved in helping to restore stability and confidence through various forms of multilateral and bilateral financial assistance. At the G-7 Summit, and again at the APEC meetings, we have expressed our conviction of the need for sound macroeconomic policies, significant banking reforms and a greater openness of financial and economic systems.

Throughout this period, China has remained an island of relative stability. We applaud the initiatives the Chinese government has undertaken and, in particular, its resolve in not devaluing the currency.

This firmness of purpose has paid off, and Canada remains confident in the ability of China to provide the stability necessary for recovery here in Asia.

Those of you who are on the ground understand the importance of staying the course. When storms come — as they inevitably do — we must not pull up anchor and flee. Instead, we must redouble our efforts, knowing that the potential is too great and the opportunities too vast to risk undoing the progress we have made or undermining the relationships we have built.

That's a message investors need to hear, and you have the credibility to deliver it.

Second, we need you to encourage small and medium-sized companies [SMEs], in both countries, to embrace the opportunities presented by liberalized trade. Nobody understands the importance of SMEs better than this Council.

Sixty percent of your membership is now made up of SMEs — up from 40 percent just two years ago. And your new market services, business programs and office alternatives, directly address the needs of SMEs.

These enterprises are the backbone of our economy — creating the most jobs and generating the most wealth. They are innovative and adaptable — capable of quickly filling emerging market niches and responding to their customers' changing needs.

So involving more SMEs is an important dynamic in creating greater economic activity. We also need to expand our export base beyond the traditional products and outside the traditional areas.

For example, Canada has tremendous expertise in the public sector and can provide technical assistance to foreign governments in areas as diverse as tax collection, broadcasting policy and systems of justice.

We also need to promote our cultural products, such as Canadian films and television programming, as well as Canadian colleges and universities, internationally and work at bringing them to the international marketplace.

We're not used to thinking of many of these as the subject of exports, but they are highly valued, and we need to do a better job of marketing them. To do that, we will need those of you in the CCBC to become as comfortable promoting our expertise and experience as you are promoting our more traditional products and services.

The third area where the CCBC can be helpful is in explaining the changing nature of the Canadian economy to a region which still harbours some outdated notions of what Canada is all about.

Many business leaders in China still see Canada as we were 20 years ago: a resource-based economy. But things have changed. Twenty years ago, 60 percent of our exports were commodity-based. Today, it's only about 35 percent — that's just 12 percent of our GDP.

In fact, when Chinese business leaders think of Canada, they should be thinking high-tech. They should be thinking a knowledge-based economy, fired by information technology, fuelled by telecommunications and fortified by the fifth largest aerospace industry in the world.

As dynamic business ambassadors, you can — and must — help in selling the new, improved version of the Canadian economy to our friends here in China.

Fourth and finally, I think the CCBC can be instrumental in selling Canada as a wonderful destination for investment and as a gateway to a market of hundreds of millions of consumers. You can also help to identify areas for Canadian investment in China.

As you know, some people still think of Canada as a market of 30 million. In fact, because of our participation in the NAFTA, we are a gateway to a market of hundreds of millions of consumers, stretching from the Yukon to the Yucatan. And Canada is taking a leadership role in uniting 34 countries into a Free Trade Area of the Americas.

We need to remind Chinese investors that Canada is a superb “head office” for North America: our economy is growing, our books are balanced, interest rates are low and inflation is virtually non-existent.

Canada also boasts one of the best educated workforces in the world, a low-cost business environment and a quality of life that is second to none.

In short, we need to make the case that Canada should be the location of choice for Chinese international investment.

If the CCBC can play its part in all of these areas — in providing perspective on the current difficulties, encouraging more SMEs to enter the Chinese market, promoting the new realities about the Canadian economy and showcasing Canada's attractiveness as a place for investment — then I have every confidence that we can realize the vast potential for trade and investment between our two countries.

The importance of this Council in developing that potential can hardly be overstated.

Working closely with governments, the Council has come to epitomize the best of the private-public partnerships that are increasingly needed in the global marketplace.

In those efforts, you can be assured of our government's continuing support.

There is an old saying that "storms make oaks take deeper root." And I am confident that by weathering the current storms, our relationship will emerge stronger, deeper and more vigorous than ever before.

I look forward to working with you as we build that relationship together.

Thank you.

Statement

98/79

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
TO THE
INTERNATIONAL CONFERENCE ON
UNIVERSAL RIGHTS AND HUMAN VALUES

"A BLUEPRINT FOR PEACE, JUSTICE AND FREEDOM"

EDMONTON, Alberta
November 27, 1998
(4:15 p.m. EST)



This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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Human rights have been much in the news recently. During his visit to Asia this month, Prime Minister Chrétien highlighted the human rights dimension of our foreign policy. He called attention to some of Canadians' concerns on repressive governments. This week, the visit to Canada of the United Nations High Commissioner for Human Rights, Mary Robinson, has further focused attention on international human rights challenges. Two days ago, the British House of Lords denied Chilean General Augusto Pinochet immunity from prosecution for serious human rights violations. This is a milestone decision. It marks a major step in the battle against impunity and gives renewed impetus to the creation of an International Criminal Court.

For this reason, today's conference is both opportune and timely. It allows us to put these developments in the perspective of international human rights as they have evolved over the last 50 years since the adoption of the Universal Declaration of Human Rights.

The world is a different place than it was 50, 25 or even 10 years ago. Over the past decade, the course of global events has shifted from the stale impasse of the Cold War to a new, evolving, still uncertain path towards the next century.

The face of war has changed — civilians, especially the most vulnerable, are increasingly the main victims and targets of violent conflict. Many of the challenges we face are transnational: protection of children, arms proliferation, illicit drugs. These threats have no borders and yet have a direct impact on daily lives everywhere. In a wired world of instantaneous communications and a global economy, our lives are more interdependent than ever.

We continue to grapple with how to deal with these changes. However, one thing is certain. These new realities put the individual — the security of the individual — at the centre of our concerns. As a result, promoting humanitarian objectives — increasing protection from abuse, reducing risks of physical endangerment, improving quality of life, and creating the tools to guarantee these goals — are providing a new impetus for concerted global action today.

It is within this context that Canada has been reshaping and refocusing our foreign policy priorities. We are increasingly occupied with issues that strike directly home to the individual, and we are taking a more human security-centred approach to our global relations.

This year of human rights milestones is an occasion to underline the role human rights play in shaping the human security agenda and how they can move it forward.

Indeed, the protection of the human being and the advancement of human dignity is what human security is about, and is what provides the foundation for our evolving human security policy.

We have built an impressive international human rights record. Since Canadian John Humphrey drafted the first version of the Universal Declaration of Human Rights, Canada has played a prominent role in advancing, defending and expanding the reach of human rights at the UN and elsewhere on the international stage.

First, we have worked hard to strengthen the human rights system, notably, through the creation of the UN High Commissioner for Human Rights and support for human rights treaty bodies. At the United Nations, we proposed and moved forward the creation of special rapporteurs to focus on specific threats such as freedom of opinion and expression, and violence against women. We advocated the inclusion of women's human rights as an integral part of the global human rights agenda. And we obtained international agreement on a binding convention to protect human rights defenders.

Certainly, these achievements were made in partnership with others. However, we can be justifiably proud of the Canadian contribution in giving form and life to the lofty principles of the Universal Declaration. They reflect an impulse for tolerance, democracy and respect — important features of Canadians' nature. They also highlight our belief in shared values and standards as well as a sense of a common human community.

The Universal Declaration has served as the model for an expanding web of international human rights norms and mechanisms. The assertion of state sovereignty — which for so long served as a pretext to hide human rights abuses — is losing its potency and credibility. Some states have shown a new willingness to accept scrutiny of their human rights records. International organizations are finding new courage to probe with the deployment of on-site visits by monitors and special rapporteurs and international human rights offices in the field .

Undeniably, there has been progress since the Universal Declaration was concluded. And there are positive trends. However, our approach to human rights must continue to evolve. Our human rights activities must keep pace with the changes around. As Prime Minister Chrétien noted recently, the respect for human rights is an increasingly crucial factor in stability, security and good governance everywhere — and upon which our own well-being resides.

For these reasons, we must attempt to broaden the range and scope of human rights initiatives. This means sustaining efforts at the United Nations, while making new efforts at the regional and bilateral level. This means mainstreaming human rights into all other aspects of our global activities. This means establishing and expanding partnerships with civil society. Finally, this means developing innovative tools with which to advance human rights goals.

Canada, as a member of the bureau of the UN Commission on Human Rights this year, is working with the Office of the High Commissioner to ensure that the international human rights mechanisms are strong enough to fulfil the tasks we have given them. This week, Canada announced a \$500 000 contribution to the work of the High Commissioner in Colombia to build lasting peace by strengthening human rights. We will maintain our active engagement at the United Nations to ensure human rights decisions are implemented effectively.

We must also pursue human rights goals at the regional level. In the Americas, we have made human rights and democracy a central pillar of the Summit of the Americas process as well as at the OAS [Organization of American States]. At the APEC Summit in Kuala Lumpur, we proposed including a human dimension into APEC deliberations. We will pursue this concept further. And in the Commonwealth, through the CMAG [Commonwealth Ministerial Action Group], we are working with others to advance democracy in Nigeria and Sierra Leone.

We have reached out at the bilateral level too, retooling our approach with a number of countries to develop civil society initiatives, construct democratic institutions and engage in serious human rights dialogue. This is the objective behind the establishment of bilateral human rights mechanisms with countries such as China, Cuba and Indonesia.

Such agreements have led to substantive engagement on human rights issues and the opportunity to invest in building up human rights groups and institutions in these countries. For instance, with China, we have created a Joint Committee on Human Rights. It recently met in Winnipeg and Whitehorse to exchange views on a range of human rights issues. We held a pluralateral symposium on human rights, which included independent human rights institutions from the region. We are currently working on projects relating to legal reform and economic, social and cultural rights.

As we broaden the "where" of human rights, we must also work on the "how" by integrating human rights concerns into other areas of foreign policy, including peace and security, disarmament, development and trade.

The respect for human rights is an important condition for lasting peace and security. Canada takes its seat on the Security Council in January. This week, I discussed with High Commissioner Robinson how we can push for a more human-centred approach to the Council's peace and security mandate. Human rights and humanitarian concerns should be better woven into the Council's activities, for example, through greater consideration of the impact of conflict on civilians.

Elsewhere, we are building on our traditional commitment to peacekeeping to include human rights and humanitarian assistance components in peace support operations. The OSCE [Organization for Security and Co-operation in Europe] Kosovo Mission,

involving military, civilian police and human rights monitors working side-by-side, is only the most recent example.

The landmines treaty points to a new norm for global efforts in the area of disarmament. Concern about the devastating impact of these weapons on human security provided the main motivation for international action. For the first time, arms control concerns were combined with elements of humanitarian and human rights law.

Canada has been looking at international development assistance through a human rights lens. Our development assistance includes extensive programming — \$62 million last year through 460 projects — in support of human rights goals and democratic development — the emergence of participatory and pluralistic societies, for governments that respect the rule of law and human rights, and through activities that promote economic, social, cultural rights, civil and political rights.

Perhaps the most contentious area in terms of mainstreaming human rights is the relationship between trade and human rights. The issue has never been a crude trade-off between promoting commerce or human rights. They are not mutually exclusive but mutually reinforcing. The promotion of good governance, democracy and human rights are essential to the creation of a climate for sustainable economic development which benefits everyone. Economic prosperity in turn enhances the prospects for stable societies that allow human rights to flourish. The Asian crisis shows what can happen when this equation is out of balance.

Almost three years ago when I addressed our annual consultations with NGOs [non-governmental organizations] for the first time, I underlined the need to fold human concerns into commercial and financial issues. This is still the case. But we have been making progress. We have been working to establish rules strengthening the link between trade and the respect for human rights. At the ILO [International Labour Organization], Canada worked actively for the adoption of the Declaration on Fundamental Principles and Rights at Work. We support OECD [Organization for Economic Co-operation and Development] efforts to examine corporate codes for the ethical conduct of business abroad while working with Canadian businesses to facilitate the development of voluntary codes of conduct.

I mentioned our efforts at APEC to address the human face of the crisis and to make globalization work better. The human impact, whether of financial crises or trade liberalization, cannot be ignored. Just this week, I met with the Canadian directors at the IFIs [International Financial Institutions] about how to reinforce good governance and democracy as a consideration in lending decisions. And we need to better and more actively integrate human concerns into international forums dealing with commerce and trade. This is not utopian nonsense — it is simply good business sense.

Human rights concerns are climbing out of their traditional box. As we integrate human rights concerns into other areas of international activities we must also expand our horizons for co-operation.

The cast of actors on the international scene is expanding. States now share the stage with a growing number of NGOs, business associations and individuals. These actors can play a positive role, bringing new tools, resources and experience to the table. New, creative partnerships with civil society are needed to move forward human security goals, including the international human rights agenda.

A few examples come to mind. In regions where there is no intergovernmental human rights infrastructure — Asia for instance — regional networks of human rights defenders can help create a space for discussion of human rights. In isolationist regimes where human rights abuses might otherwise remain invisible — Burma, for instance, or Nigeria under the former regime — it is human rights NGOs that get information out to the international community and insist on action. And in Cuba, we are working to expand the capacity for local NGOs to advance human rights goals.

In many cases, government channels are still the best route for addressing human rights concerns and for pressing human rights themes onto the international agenda. However, in other instances, NGOs will be better placed than governments to make inroads and build local capacity for human rights.

Our past experience has provided valuable lessons about creating effective partnerships in the future. One of the most important is that those who have the most at stake should be closely involved. The most compelling voices during the landmines campaign were those of the landmines survivors. The most powerful advocates against child labour are the children who have suffered through it.

That is why Canada is committed to capacity building in the field of human rights — to ensure the vulnerable and the disenfranchised can find empowerment and express their voice. In Indonesia, for example, through the Canadian Human Rights Commission, we have fostered the growth of an independent human rights institution.

But we need to build capacity at home, too, something we have been doing through the Youth Internship Program and CANADEM, our stand-by force of human rights experts, ready to be deployed around the world.

The human rights of populations living in countries emerging from or at risk of conflict are particularly vulnerable. That is why in 1996 we launched the Canadian Peacebuilding Initiative. It has supported over 40 projects, from Central America to the African Great Lakes region to East Asia. The aim is to rebuild institutions and societies thereby allowing countries to deal with conflict before it spills over into violence and leads to human rights abuses.

New global instruments that expand the reach of international criminal law will also serve to advance international humanitarian and human rights law. The other side of human security is human responsibility.

The situation of General Pinochet has renewed focus on the problem of impunity for serious violations of international humanitarian law. Impunity impedes reconciliation — a prerequisite for lasting peace. Sooner or later, the unresolved will resurface. The expectation of impunity also encourages violators. It is an Achilles heel in efforts to promote human rights. The decision of the House of Lords makes clear the global dimension of this challenge and our collective responsibility to address the issue.

It is precisely with this in mind that Canada is working to establish the International Criminal Court. The time has come for a permanent institution to deter some of the most egregious breaches of humanitarian law. The Court will help ensure the respect for fundamental minimum standards of humanity. It will be an effective tool to ensure that those who commit abuses are held accountable. The Pinochet decision reaffirms the need for an International Court to help develop a framework with which national courts can work.

We recognize the need to constantly re-evaluate and reassess our approaches. To that end, I announced an examination of our human rights strategy last December. The objective was not to prepare another report but to launch an ongoing dialogue — with the NGO community in particular — to maintain an open-ended process to reformulate and recalibrate our human rights approaches. This leads me to identify those areas that we believe need greater attention and resolution:

- 1) Children's rights. In an uncertain world it is the most vulnerable, in particular children, who are most at risk and who pay the highest price, and, as a result, require special attention. Three issues are of particular concern: sexual exploitation, child labour and war-affected children. We are working to conclude a Protocol to the Convention on the Rights of the Child to address sexual exploitation while we attempt to better implement our own domestic legislation. Concerning child labour, efforts are underway at the ILO to develop a new Convention eliminating the worst forms of child labour. At the same time, we will continue to pursue efforts to involve the private sector more actively in the development of codes of conduct. Our approach to war-affected children is multidimensional with a focus on issues relating to child soldiers. And, in all areas, peacebuilding and development projects are underway to meet the needs of children victimized and traumatized by these abuses.

- 2) Freedom of religion and belief. The reaction of some to the stresses of a world in transition is to retreat to more traditional, sometimes extreme, values as a way of asserting their identities. Freedom of religion appears particularly vulnerable in situations like these. No faith is exempt. And wherever religious intolerance

appears — as it has recently in different forms in Indonesia, Russia, India or Iran — it must be opposed.

We are pursuing the issue on several fronts. This will be a priority subject at our consultations with NGOs next February in preparation for the UN Human Rights Commission. In the coming months, the Centre for Foreign Policy Development is supporting a number of roundtables with Canadian civil society to address different aspects. As a follow-up to the Oslo interfaith Declaration, we have been exploring a partnership on religious freedom with Norway — at both the government and civil society levels. Finally, the subject is part of the agenda in our bilateral human rights dialogues with China, Indonesia and Cuba. We are working hard to foster dialogue between Chinese and Canadian civil society groups. In Cuba, the progress made by the Catholic Church — most recently, authorization for 40 foreign religious workers to come to Cuba — results in no small part from the emphasis Canada and others have put on the issue.

3) Freedom of the media. The media remains at risk either by its use as an instrument for hate and division or through efforts to suppress access. And we do not need to look far for examples. Last week in British Columbia, newspaper editor Tara Singh Hayer was slain defending the right to free media here in Canada. We must remain vigilant in exposing violations while taking measures to defend the principle of an independent media and the security of the individuals at risk. The UN Special Rapporteur on Freedom of Opinion and Expression was created for this purpose. These efforts need to be complemented by concrete assistance in nurturing free and independent media. To this end, we have supported projects through the Canadian Peacebuilding Initiative in Bosnia, South Africa and, most recently, on the margins of APEC where we are supporting the initiation of a regional network of journalists to defend and promote free media in the region.

If "the medium is the message," diversity in the medium is essential. Yet in an increasingly interconnected world, ownership of the medium is concentrated in fewer and fewer hands. We need to be wary that the range of information, opinion and viewpoints — the messages — are not diminished as a result.

4) The challenges of new information technologies. While the information superhighway can transport the best, it can also transport the worst. Hate speech, child pornography and child prostitution have moved onto the Internet. They have to be dislodged. The aim is not to control the Internet per se, but to take aim at those who would misuse it for criminal and other illegal activities that can hurt or harm.

Some months ago, I received a wonderful gift, a talking stick, from Phil Fontaine, the head of Canada's Assembly of First Nations. It is a millennia-old technology. When handed to a speaker, it is supposed to imbue that person's words with courage, honesty and wisdom. We must sustain efforts to ensure that today's talking stick —

cyberspace technology and the Internet — contribute to the common good and advance human rights while denied to those who would foment hatred, crime or exploitation. The Human Rights Web site created by the Department of Foreign Affairs and International Trade and its hyperlinks to our new report — *For the Record 1997: The UN Human Rights System* — developed with Human Rights Internet is a contribution to this effort.

For 50 years, Canada's commitment to advancing international human rights has been clear and consistent. We have accomplished a good deal. This legacy has helped to shape the human security approach to our foreign policy. Canada's human rights policy is an indispensable part of moving the human security agenda forward. Our objective now is to adapt this policy to keep up with and make the most of a changing global environment. I have outlined some of the emerging challenges and some of the ways we are responding.

Canada has a special role to play. Given our own record, we can employ soft power levers — influencing events by using attractive ideas, and using shared values and partnerships — to promote human rights around the world.

"Ce sera là une grande aventure" — this will be a great adventure. These words were addressed to John Humphrey convincing him to work on human rights at the United Nations. The 50th anniversary of that inspirational document is an appropriate occasion to reflect on the achievements, struggles and lessons learned in moving human rights forward. And to think about how to continue "the great adventure."

Thank you.

Statement

98/80

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE
CONFERENCE TO SUPPORT MIDDLE EAST
PEACE AND DEVELOPMENT

WASHINGTON, D.C.
November 30, 1998
(1:00 p.m. EST)

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



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We gather here at what we hope is a turning point in the quest for peace in the Middle East. The agreement reached at the Wye Plantation between Prime Minister Netanyahu and Chairman Arafat has rekindled hope that Israelis and Palestinians can find the means of living together as neighbours.

I would like to express my appreciation to the Government of the United States for its efforts in preparing this conference. Canada welcomes the opportunity to participate, and to join with members of the international community in reaffirming our commitment to assist the parties in building the foundations of peace. In particular, I would like to pay tribute to the leadership and determination of President Clinton and Secretary of State Albright in the pursuit of negotiations in the Middle East.

As I watched coverage of the opening of the Gaza Airport, I remembered my own visit to the idle airport last November, after our meeting. The opening of the airport, like the redeployment carried out 10 days ago, and the measures taken by the Palestinians to combat terrorism, are all important steps in moving the peace process forward. Together, they reinforce confidence that negotiation is, indeed, the only road to peace.

None among us would underestimate the challenges that lie ahead. Seemingly intractable issues remain unresolved, not just between Israel and the Palestinians, but also between Israel and Syria and Israel and Lebanon. Certainly the recent violence along the border calls for renewed restraint. But let us acknowledge all that has been accomplished. Today, Egypt and Jordan are at peace with Israel. The PLO and Israel have accepted each other as partners. In seeking compromises and a negotiated solution, we hope that the parties will be guided by the body of international law at their disposal — including UN Security Council Resolutions 242 and 425, and the principle of land for peace that they accepted at Madrid in 1991.

Canada has a sincere interest and a deep commitment to securing meaningful agreements. We know that the task of building peace does not end with the signing of agreements and treaties. Indeed, a signature and a handshake are just the beginning of this process. Communities that have long seen each other as adversaries must instead see a shared interest in building common interests in the region. Leaders can inspire such a vision, but it can only take root when it is accepted at large. One way to further this process is to encourage activities that bring Israelis and Arabs together.

Since 1992, Canada has been involved in the five multilateral working groups in the peace process, underscoring our belief in the value of dialogue and co-operation. We have also provided direct support to almost 100 dialogue projects. Our efforts have brought together Israelis and Palestinians in a program of leadership training in conflict resolution. We have supported a project in which artists and youths from the Israeli-Jewish, Israeli-Arab and Palestinian communities collaborated to create art work symbolizing their shared vision of peace. We are also working with the Peres Centre on a project to establish a joint Israeli-Palestinian infrastructure in the field of

information technology. My hope is that these projects will help to break down barriers and to establish personal bonds between Israelis and Arabs, where perhaps they would not have otherwise existed.

Canada has long said that our goal is a just peace — one that respects the dignity of all peoples in the region and provides for their security. By security I mean more than the absence of terrorism or violence, although I cannot stress how important the fight against terrorism is to the peace process. It is also important that all individuals enjoy an acceptable quality of life, free from economic deprivation.

People will lose faith in the peace process if they do not see tangible and concrete improvements in their daily lives. Sadly, Palestinian economic development has been limited by external constraints. Canada hopes that the implementation of the Wye River Memorandum will create an environment in which the development needs of the Palestinians will be met. We believe that the economic prosperity of the Palestinians is an essential underpinning of peace, and that it has benefits that will enrich the region as a whole.

We recognized this in 1993, when we pledged C\$55 million in assistance to the Palestinians. This sum proved to be only a small portion of what we actually disbursed. Over the past five years, we have provided C\$130 million to help meet Palestinian development needs. An important part of our contribution has gone to UNRWA [United Nations Relief and Works Agency for Palestine Refugees in the Near East], an institution we consider vital to meeting the humanitarian needs of Palestinian refugees and providing stability in the region.

Our development assistance program has included a variety of activities and sectors. We have supported job creation, the rehabilitation of basic infrastructure, and health and social services. And we have helped to support the establishment of a proper policy and institutional framework in the West Bank and Gaza Strip. In September, Canada opened a Representative Office in Ramallah, to help ensure that our aid program is delivered in the most effective way possible.

Today, I am pleased to advise that our contribution to the Palestinians will be extended by C\$92 million over the next four years. We are substantially increasing our funding to bilateral projects. Our focus will be on meeting the basic human needs of the Palestinians, particularly the refugees. For this reason, we will continue to be a strong supporter of UNRWA. We believe that it is essential that UNRWA have the means to carry out its mandate, while the parties negotiate a political solution to the refugee problem.

Canada's role as Gavel Holder of the Refugee Working Group has given us a particular commitment to the refugee problem. I have seen firsthand the condition of the refugees, and I know their enormous economic and humanitarian needs. To help

meet these needs, Canada has led a number of international missions to the refugee camps in Jordan, Lebanon and the West Bank and Gaza Strip. These missions, and the work of other countries involved in the Refugee Working Group, have mobilized well over US\$100 million to assist the refugees.

The needs of the refugees, however, remain immense, especially in the area of basic infrastructure. The camps are also dangerously overcrowded, a fact I saw for myself when I visited Rafah camp last year. Moreover, UNRWA cannot keep pace with the growing demands for its services, particularly for children in health and education. I would encourage other members of the Refugee Working Group and donors present here to carefully consider the needs of UNRWA as you make decisions on how the money pledged today will be allocated.

During the course of Canada's chairmanship of the Refugee Working Group, I have had the opportunity to reflect on other aspects of the refugee issue and on how the Group might support the parties in finding a permanent solution to the refugee problem. The 3.5 million registered Palestinian refugees are a constant and tragic reminder of the human cost of war and conflict.

Let me reiterate Canada's view that the refugee issue should be resolved primarily through bilateral negotiations — and it must be resolved — in a just and comprehensive manner. The refugee question is central to the peace process. Without a just solution to the refugee problem, lasting peace will not be achieved. I should also mention that a solution to the Palestinian refugee problem will require sustained assistance and support from the international community.

Since the Madrid Conference, we have seen the beginnings of a profound transformation in political, economic and cultural relationships in the region. The fruits of peace have not yet been fully realized. But through our efforts today, we are taking another important step forward. We encourage the full resumption of the multilateral track to build an environment in which peace can truly flourish. And we hope in the period ahead that negotiations will resume between Israel and Syria and between Israel and Lebanon to bring us closer to our common goal of a comprehensive peace in the region.

Thank you.

Statement

98/81

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE LLOYD AXWORTHY
MINISTER OF FOREIGN AFFAIRS
TO THE
NORTH ATLANTIC COUNCIL MEETING

BRUSSELS, Belgium
December 8, 1998
(10:30 a.m. EST)

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



As we prepare to enter our second 50 years as an Alliance, we face a different world with different security challenges than in 1949 or even 1989.

The way each of our lives is connected is unprecedented. At the same time, conflict has largely turned inward, with ruinous effects on societies. Ninety percent of casualties in these conflicts are civilian, mostly women and children. Too often they are direct targets, not incidental, and too often, they are victims of the alarming spread of small arms.

The increase of crime, drugs and terrorism brings new dangers on our streets. The Tokyo subway and the World Trade Centre incidents are evidence of the terrorist dangers each of us can face inside our own borders.

While the old interstate security threats persist, this changing environment puts the security of ordinary citizens more directly at risk. To be stronger and more relevant, the Alliance must adapt to these new realities.

Bosnia/Kosovo

NATO's roles in Bosnia and the Kosovo crisis are evidence of the Alliance's efforts. Politically, much remains to be done in Bosnia. Since the elections this fall, political positions have polarized and there are new signs of stagnation in the process of reconciliation.

Our High Representative, Carlos Westendorp, deserves and needs our support. Our priority should be to ensure that Bosnians play their own central role in rebuilding their country, and that a culture of dependency does not take root. We must be active in the coming months to ensure we are not simply monitoring a stagnant process but facilitating durable political solutions.

Madame Justice Louise Arbour, Chief Prosecutor for the International Criminal Tribunal, is registering an impressive list of convictions. The arrest of General Krstic by SFOR [Stabilization Force] last week was particularly gratifying. We congratulate the Allies whose forces have helped make this possible.

We have made significant progress to mitigate the devastating effect of landmines in the region, especially through new partnerships with each other. Through a joint initiative providing insurance to deminers, Canada and Norway have been able to nearly double the number of deminers working in Bosnia. The Slovenia Trust Fund, an innovative mechanism established by the United States, is effectively doubling contributions from partner countries like Canada to Bosnian demining efforts.

Unfortunately, we have not seen the number of returns of refugees and displaced persons we had hoped for this summer. This will require continued SFOR involvement.

Canada remains fully committed to SFOR and to contributing the forces necessary to help create a self-sustaining peace. At the same time, we look forward to an examination of options for reductions over the coming months. We would like to see a clear strategy for gradual SFOR disengagement and the handing over of responsibilities to local institutions.

In Kosovo, NATO's actions helped to end the cycle of violence and to avert a humanitarian catastrophe. They also demonstrated how humanitarian concerns are providing the impetus for collective action. Canada strongly supported the Alliance's efforts. Our aircraft stand ready to take part in operations if necessary. We are planning our contribution to the Kosovo Extraction Force.

Initial efforts in support of peace in Kosovo have been successful. However, as the OSCE [Organization for Security and Co-operation in Europe] Kosovo Verification Mission deploys, the Alliance must remain vigilant. There is no room for complacency. We must continue to pressure both parties to take meaningful steps toward a peaceful, negotiated resolution.

The absence of a political package is increasingly worrisome. The spring thaw could very well bring renewed full-scale hostilities. We must bring all the pressure we can on Belgrade. Those of us with influence on the Albanian factions should take all steps possible to close down the flow of donations and arms.

Weapons of Mass Destruction

NATO's actions in the Balkans show the Alliance's willingness and capacity to adapt to new security challenges. Perhaps the greatest challenge that we face is the proliferation of nuclear, chemical and biological weapons of mass destruction. The impact of these weapons is indisputable. Yet the non-proliferation regime we have constructed to counter this threat is in jeopardy. The dangers come from several sources:

Iraq, Libya and Sudan remain risks in developing chemical and biological weapons. Illicit transfers of nuclear, chemical and biological weapon grade materials or know-how pose a very real threat to us all. The security, storage and disposition of nuclear materials from dismantled weapons systems is also a growing concern.

The danger of the proliferation of nuclear arms — the most feared weapons of mass destruction — has re-emerged with frightening clarity. The nuclear weapons programs of India and Pakistan increase the risk of nuclear war and put new strains on the non-proliferation regime.

At the same time, new rationales are emerging for retaining nuclear weapons, impeding disarmament efforts and fuelling the claims of proliferators.

NATO must be part of the answer to these problems. This will require new initiatives, new approaches and new thinking.

For that reason, we welcome the initiative on Weapons of Mass Destruction proposed by the United States for the Summit. We support the U.S. proposal that Allies enhance their efforts to share information.

This will require a policy framework and we, therefore, propose the Alliance reinvigorates the Joint Committee on Proliferation. In particular, we would like to see senior foreign affairs and defence policy officials join in a single, technically well-supported group to examine the nuclear, chemical and biological challenges we will face and recommend actions we can undertake together in response. This would ensure that we proceed on the basis of a common understanding of the seriousness of the security threats we face. It would also allow us to assess where the dangers originate.

We can also work together to deny chemical and biological weapons and facilities to prospective opponents. Training and equipping our forces to operate in chemical and biological environments will help ensure NATO's ability to manage crises and deter the use of these weapons by potential adversaries.

Finally, we need to discuss thoroughly the changing realities we face as an Alliance and the most sensible and effective responses to them.

We no longer face the overwhelming conventional threat once posed by the Warsaw Pact, the Soviet Union and its 350 000 soldiers in East Germany. This has implications for Alliance strategies. Now more than ever, any discussion of using Alliance nuclear capabilities — even in retaliation — raises very difficult questions of means, proportionality and effectiveness that cause us significant concerns.

In Canada's view, this discussion has no foregone conclusions. However, undertaking a comprehensive dialogue now would demonstrate to our publics and to others that

we take seriously the need to update the Alliance and its responses to the new dynamics of a changed world.

Strategic Concept

Canada would like to see the Alliance adopt a strategic vision that addresses all of these nuclear, biological and chemical weapons concerns constructively.

We need to address the evident tension between what NATO Allies say about proliferation and what we do about disarmament. Over seventy percent of Canadians support NATO and Canada's membership in the Alliance but 93 percent of Canadians expect Canada and its Allies to take the lead in working to eliminate nuclear weapons. Later this week, the Standing Committee on Foreign Affairs and International Trade in the Canadian House of Commons will table recommendations on "The Nuclear Challenge." The Government of Canada will consider its recommendations carefully.

There are many audiences both inside and outside the Alliance that will weigh every word of the revised Strategic Concept. In drafting the revised Concept, therefore, we need to "see ourselves as others see us" and ensure that we do not send messages that we do not intend. We should be circumspect about the political value we place on NATO nuclear forces, lest we furnish arguments proliferators can use to try to justify their own nuclear programs.

For this reason, I want to share some thoughts about the messages the revised Strategic Concept should express.

First, it should be clear that the Alliance exists to provide security for its members and for the Euro-Atlantic region — not against anyone, especially not against Russia. To that end, it should reaffirm commitments to collective defence of its members and to promoting security, preventing and managing conflict and ensuring stability in the Euro-Atlantic area — through its own resources and in partnership with other European states. In doing so, we should make clear that we are an Alliance of values, committed to act in promotion of those values, taking into account international law, humanitarian imperatives and political realities.

Second, it should define NATO's relations with other institutions that comprise the international security framework. NATO can make a decisive difference in difficult situations. We need to recognize, as the Treaty already does, the central role and responsibility of the United Nations.

Third, it should underline the very significant progress made in disarmament since 1991 and make a commitment to doing more. Special attention should be paid to recording reductions made in strategic weapons and the elimination of whole classes of weapons from Europe. At the same time, we must affirm our intention to reinforce the nuclear non-proliferation regime, especially to respond to the specific threats I have referred to, and to develop further arms control and disarmament measures.

Fourth, it should underline that as a consequence of a changed security environment, nuclear weapons are far less important to Alliance strategy than they were in the 1980s and early 1990s.

Enlargement

Along with the review of the Strategic Concept, the issue of enlargement will be a preoccupation in the coming months. We wish to see the Czech Republic, Hungary and Poland take their places at the table in the Council as soon as possible — before the Washington Summit. We, therefore, urge the responsible authorities among the invitees and within NATO to take the necessary measures to achieve this goal.

For Canada, the further enlargement of the Alliance represents the fulfilment of a political pledge made to the countries of central and eastern Europe when the Alliance was founded. The enlargement process has a political importance and cannot be based solely on the ability of prospective members to contribute to Alliance military resources.

It seems inevitable that there will be no consensus on inviting new members at the Washington Summit. We support many of the ideas offered as a "Madrid Plus" package for aspiring countries. Beyond this, we should agree at the Summit on a political road map and decision-making timetable for further enlargement.

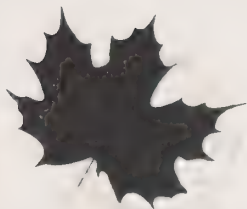
This will be a constant item on our agenda in the years ahead. I believe we will have to decide on another round of enlargement as early as 2001.

Conclusion

Canada wants the Alliance to enter its second 50 years stronger and more relevant than ever. In preparing for the Washington Summit, we should bear in mind that it is our values and our success as democracies that hold us together as allies. They will also make it possible for us to surmount the challenges of the future. The Washington

Summit will mark an important and very public milestone for the Alliance in this process. I hope our meetings this week will contribute to the Summit's success.

Thank you.



International Trade
Commerce international

Statement

98/82

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE
22ND ANNUAL MIAMI CONFERENCE
ON THE CARIBBEAN AND LATIN AMERICA

"BUSINESS IN THE HEMISPHERE — FROM TALK TO ACTION"

MIAMI, Florida
December 9, 1998
(10:00 a.m. EST)

This document is also available on the Department's Internet site:
<http://www.dfait-maeci.gc.ca>



I am delighted to be with you today.

As a Canadian who is always being kidded about my country's weather by my American friends, it is good to be here to enjoy the warmth of both the weather and your welcome.

It is certainly appropriate that we should meet in Miami — a city known as a gateway to the Americas. Over the years, it has become a meeting place for diverse cultures and languages: a city with its eyes clearly on the vast and vibrant markets of Central and South America, as well as on the Caribbean.

Canada, though separated by distance from many of you, sees itself as a nation of the Americas. And this will be made very clear during the next two years when we will become, quite literally, host to the hemisphere.

Starting next summer, we will welcome athletes from throughout the hemisphere to the Pan American games in Winnipeg. In September, the Conference of Spouses of Leaders of the FTAA [Free Trade Area of the Americas] will be held in Ottawa and then — in my hometown, Toronto — the meeting of FTAA Ministers and the Americas Business Forum. In the year 2000, Canada will host the OAS [Organization of American States] General Assembly, and later, Canada will receive the leaders of the hemisphere for the Third Summit of the Americas.

Our commitment to the Americas has also been displayed in other ways. When Hurricane Mitch devastated Honduras and Nicaragua, Canada, together with many other nations, moved swiftly to assist. In addition to the immediate deployment of a 180-person military relief mission to Honduras, Canada was proud to pledge \$110 million in disaster relief and reconstruction assistance. Above all, our hearts and our prayers go out to all of you who were tragically affected by this terrible disaster.

As you can see, we take our hemisphere seriously. We also take our commercial relations seriously. In the past five years, two-way trade between Canada and the Americas has doubled — and our investment in the region has tripled!

This morning, I would like to concentrate on an initiative that holds tremendous potential for the future — the Free Trade Area of the Americas.

As you know, Canada is chairing the FTAA negotiations until October of next year, and this will culminate with a meeting of Trade Ministers in Toronto on November 1 and 2, immediately following the Americas Business Forum on October 30 and 31.

And I am pleased to announce that Kent Jespersen has been appointed Chair of that Forum. Until recently, Mr. Jespersen was President of NOVA Gas International and is currently Chairman of La Jolla Resources International, based in Calgary. He will be working closely with the Canadian Council of the Americas and other Canadian business groups to ensure the success of the Forum.

Today, I would like to share with you the progress that has been made so far, and the key challenges that lie ahead of us.

Thus far, the FTAA process is on track. We had a good launch in Santiago, with all 34 leaders present. The Administrative Secretariat is now up and running here in Miami, and I am delighted that Michael Eastman has been selected to act as its Director.

In June, Canada chaired the first meeting of the Trade Negotiations Committee in Buenos Aires. That Committee established work programs for the nine negotiating groups. These nine groups met this past September and October in Miami to begin their work.

At that same meeting in June, the Committee established work programs for the three bodies that will deal with some of the larger issues that face all: namely, electronic commerce; the special interests of smaller economies; and the participation of civil society. These groups also held their inaugural meetings in October.

Just last week in Suriname, the Trade Negotiations Committee held its second meeting. It focussed on the issue of business facilitation. Real progress was achieved as our chief negotiators agreed to initial efforts in the area of customs procedures. They will reconvene in a few months to examine options in greater detail.

So the negotiations are now under way.

But to recount the progress is not to discount the challenges. And they are significant. But then, no undertaking of this magnitude could be otherwise.

Canada sees five key challenges which must be addressed and overcome: U.S. fast-track authority, business facilitation, the involvement of civil society, the unequal size of the various players and the global financial crisis.

Let me just touch on each of these:

First, U.S. fast-track authority.

The continuing absence of this authority is unfortunate and, frankly, disappointing. While it is not fatal at the moment, the lack of fast track has clearly had an impact on the level of engagement by the United States. This, in turn, will affect the engagement of others, for no country will agree to negotiate twice.

More generally, the lack of fast-track authority sends an unhelpful signal about American commitment to liberalized trade. It would be unfortunate indeed if the

United States, which has been both an architect and beneficiary of trade liberalization over the past 25 years, were to now slacken its vigour or abdicate its leadership.

I was encouraged that President Clinton, in speeches to the World Bank and IMF in recent weeks, rallied the troops for a fast-track mandate in January of next year.

I wish him every success because the world needs the United States to remain committed to trade liberalization; to engage outwardly, rather than turning inward. The FTAA is a prime test of that commitment and fast track would provide an important reassurance.

Second, we need to make progress in the area of business facilitation.

The ultimate goal is straightforward: it should be as easy for a firm in Miami to do business in Santiago as it does in Toronto.

And business leaders will measure our progress on this front, not by the statements we make, but by the action on the ground; by the time saved as they move their goods and services expeditiously across borders to reach their markets on time and on budget.

As I mentioned, the Trade Negotiations Committee has just finished a successful first discussion of proposals for reducing red tape and other costs of doing business in the hemisphere. Their focus is on simplified and harmonized customs procedures and that's certainly a step in the right direction.

Business facilitation will be a major theme at the FTAA Ministerial meeting next year. This is an area where we can produce practical results, prior to the completion of the FTAA and, at the same time, provide momentum to our talks.

Third, the matter of involving civil society is pivotal.

It will come as no surprise to anyone in this room when I say that there is a great divergence of opinion, across the hemisphere, as to how — or even whether — to engage civil society in the FTAA process.

The challenge we face is to bridge the gap between those that welcome that active engagement and others who harbour suspicions about the civil society agenda.

This will not be an easy task. But we cannot expect to establish a historic, 34-country trade agreement without involving our people. Canada would find it impossible to sell such an idea at home or to promote it abroad. Nor would we want to. Because, in today's world, the process leading to a trade deal matters as much as the contents of the deal itself.

At our meeting in Costa Rica, the Trade Ministers of the Americas, among others, endorsed the principle of increased participation in the FTAA by representatives of civil society.

These commitments were not simply words to fill our speeches. They were principles to guide our actions. So, today, countries cannot conveniently pick and choose. The FTAA package that leaders endorsed is a framework of interconnected elements. If you chip away at one or the other, then the entire FTAA process becomes fragile.

Trade, after all, is about more than just enhancing the bottom line of a nation. Trade is about enriching the lives of its people. We do not seek freer trade for its own sake: we seek it because it will provide our people with rewards for their labour, markets for their products and hope for their futures.

Our fourth challenge is to address concerns raised by the disparity in size — and economic development — among the various FTAA participants.

The smaller economies of the hemisphere are worried that their interests will not be protected. This is understandable.

The simple reality is that there are corporations here in the United States that employ more people than the population of some of the participating countries in the FTAA. And their revenues dwarf the GDP of these countries.

Canada understands these concerns. After all, we entered into a free trade agreement with the United States — a partner 10 times our size. But our experience has been positive. We actually enjoy a surplus, in part because we have seen the benefits of bringing our trade under rules where might does not equal right and where the outcome of a trade dispute is decided on the strength of the argument and not on the size of the participants.

And we will certainly be sharing this experience with the smaller economies of the FTAA. But we all must be sensitive to this legitimate concern.

Furthermore, we should appreciate that the FTAA poses a major governance challenge to some of our smaller nations, particularly the Caribbean and Central American countries. Entering a complex set of trade negotiations among 34 countries is a big deal, especially for smaller bureaucracies. And so, we also will need to help in building the necessary institutional capacity of these countries, so that they may effectively prepare for, negotiate and follow up on the FTAA negotiations.

The bottom line is that a successful FTAA means leaving no members behind. The fifth and final challenge — which is also the most difficult to predict — is the impact of the global financial crisis on the FTAA process.

While Canada's view is that recent events only make the case for trade liberalization more compelling, we also know that some nations may be tempted to apply the brakes to the process, call for import restrictions or impose some other protectionist measures.

Our challenge is to resist these demands and demonstrate the benefits to be gained by continuing down the path of freer trade.

When crises arise — and they will — we must act, as we did in the case of Brazil, with firmness and resolve. But we must not allow the current economic difficulties to obscure the longer view.

Be assured that we are not only fairweather friends. Canada recognizes that the potential for growth and expansion is still there.

Our business community continues to be very bullish on Latin America, despite some of the challenging economic currents. This is really a time for long-term thinking and commitment.

In closing, let me say that Canada is under no illusion about the challenges before us. But we are also aware of the opportunities that await us. And so we will work hard to maintain the momentum and to keep the negotiations firmly on track.

Many years ago, that great explorer, Ferdinand Magellan, wrote something that I think bears repeating today. He said, "The sea is dangerous and its storms terrible, but these obstacles have never been sufficient reason to remain ashore."

In creating a Free Trade Area of the Americas, we too will face many storms. But that is no reason to remain ashore. Indeed, it is a greater reason for pushing off and setting sail — knowing that what lies ahead is far greater than that that lies in quiet coves or peaceful ports.

Let us embrace the spirit of adventure. Let us sail the uncertain seas. And let us resolve to complete that voyage and do so, together.

Thank you.



International Trade
Commerce international

Statement

98/83

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE SERGIO MARCHI
MINISTER FOR INTERNATIONAL TRADE
TO THE
CANADIAN-AMERICAN BUSINESS ASSOCIATION,
BROWARD ECONOMIC DEVELOPMENT COUNCIL AND
FORT LAUDERDALE CONVENTION & TOURISM BUREAU

FORT LAUDERDALE, Florida
December 10, 1998
(1:15 p.m. EST)

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I am delighted to be with you today. Of course, any Canadian would be happy to be in Miami in December! But I do appreciate the warmth — both of your weather and of your welcome.

I come today as a Trade Minister who wants to strengthen our already vibrant commercial relationship.

As you well know, Canada and the United States are partners both multilaterally and bilaterally. Yesterday, I attended the 22nd Annual Miami Conference on the Americas and the Caribbean where I addressed the exciting initiatives of the Free Trade Area of the Americas, which is of great importance to the future of our hemispheric community.

But I am here today to talk about our bilateral relationship. By any measure, ours is a very rich and dynamic one. One US billion dollars in goods and services moves between our borders every single day.

And, I think it is important to point out that 95 percent of all this trade between the United States and Canada occurs without any problem. Unfortunately, there is that 5 percent that garners all the headlines and steals all the attention.

To be sure, there are some significant differences between us. We take strong exception, for example, to the Helms Burton Act, which attempts to deny the freedom of other nations to make up their own minds and implement their own policies.

We also have great concerns about section 110 of the U.S. Immigration Act which, if implemented, will impede the easy flow of business people across our shared border. Congress has wisely legislated a 30-month delay in its implementation, but we look forward to it being shelved permanently.

We appreciate the support we have received from Florida on this issue. Let us continue to work together to ensure that our Canadian “snowbirds” find their way to Florida with minimal disruption at the border.

We must not lose sight of the bigger picture. Indeed, ours is the richest bilateral relationship in the world.

Americans trade twice as much with Canada as you do with Japan, your second most important trading partner. In fact, my province of Ontario alone does more business with your country than does Japan.

Clearly, the free trade agreement between us has benefited both nations. Since its implementation in 1989, trade between us has more than doubled. And the North American Free Trade Agreement [NAFTA] has led to a profound integration of the North American economy. Trade among the United States, Mexico and Canada now exceeds \$500 billion — and those are American dollars!

Canadians have particularly recognized the potential of the Southeastern U.S. — the fastest growing region in America over the past six years. Annual trade between Canada and the Southeast now stands at over \$40 billion. This is more than all of the United States trades with Brazil.

Looking specifically at Florida, we exchange products worth more than \$10 million every day of the year. And it is growing every year.

Two-way investment is also up. Some 30 Canadian companies, including Nortel and Bombardier Corporation, have established offices here in your state.

Similarly, some of your major companies — such as Harris Corporation of Melbourne, Florida — have made significant investments in Canada.

But while this success story should be a source of pride — it must not become a cause for complacency. The reality is that there is still tremendous potential for increased U.S.-Canadian trade. There is still a lot of uncultivated fruit on the vine — especially among our respective small- and medium-sized businesses.

For example, I see a lot of potential for partnerships between Canada and Florida in the area of wetland and water resource mapping. Canada is a world leader in geomatic information sciences, while Florida has major wetland resources that must be mapped and managed. Why not put Canadian expertise to use right here in Florida?

Not far from here is Cape Canaveral where the Canadarm Robotic Arm — developed by Spar Space Systems of Brampton, Ontario, a division of Spar Aerospace Limited — allows the Space Shuttle to manipulate objects in space. And solid-fuel rockets, made by Bristol Aerospace in Winnipeg, propel the Shuttle itself into space. We need more high-tech collaboration like this.

In fact, Canada has a lot to offer Florida in the area of cutting-edge technology. But for this to be fully realized, you need to hear much more about a Canada you may not know, leading the world in areas you might not expect.

To many Americans, Canada is still a land of lakes and trees — a resource-based economy ruled by Mounties and populated by hockey players. Well, that's a nice image, but it's also a little dated.

You can imagine my dismay when I caught Wall Street Week with Louis Ruckysen on PBS a few weeks ago. One of the questions from a viewer was why more Canadian stocks are not recommended by American brokers. The expert on the panel said that in most cases, it's simply a lack of awareness on the part of Americans. That's true

enough. But then he went on to say how the Canadian economy is concentrated in the resource sector.

That is the very kind of myth that needs to be dispelled. The fact is that more Canadians work in electronics than in pulp and paper. And more Canadians work in financial services and communications than in forestry or energy!

And as a percentage of our exports, commodities have fallen from about 60 percent in 1980 to just 35 percent in 1997. This amounts to only 12 percent of our GDP!

Unfortunately, what is true of that expert on Wall Street Week, is also true of many American investors. Too many harbour similarly outdated images of Canada.

When you think of Canada today, you should be thinking high-tech. You should be thinking a knowledge-based economy, fired by information technology, fuelled by telecommunications and fortified by the fifth-largest aerospace industry in the world.

You should be thinking of a country that is number one in the G-7 in home computer, cable and telephone penetration. Number one in the G-7 in technology potential. A country that has put every school and library on-line.

Canada also has great pools of highly skilled labour available to investors at a lower cost than comparable labour in the United States. Did you know, for example, that the Gourman Report, published in the U.S., has found that of the top 22 electronic engineering departments in North America, 10 are in Canadian universities?

When you think of Canada, you should also be thinking a country with sound economic fundamentals. We have balanced our budget — the first G-7 country to do so. Inflation and interest rates are low and growth is strong. Ours is an outward looking economy, 40 percent of our GDP and one in three jobs in Canada is tied to exports.

The *Financial Times of London* calls Canada the "top dog in the G-7," and *The Economist's* Intelligence Unit agrees, putting puts Canada among the top five places in the world to do business over the next five years.

Certainly, the many, many American and foreign corporations with investments in Canada wouldn't disagree. Their profits have risen an average of 50 percent over the last two years.

And in a world where technology allows companies to settle almost anywhere, quality of life considerations become very important in deciding where to set up a business.

And Canada offers many advantages on that front. Advantages like a health care system that doesn't check your credit rating before it checks your blood pressure. Advantages like safe communities, clean streets, a superbly educated workforce and spectacular natural beauty. Advantages that have led the United Nations to rank Canada as the number one country in the world for five years running in terms of quality of life.

In short, there has never been a better time to invest in Canada or to partner with Canadian firms.

When President Kennedy addressed the Canada's Parliament in 1962, he reminded us that "geography has made us neighbours, history has made us friends and commerce has made us partners."

Today, we have the opportunity to build on that historic friendship and expand our commercial partnership.

Let us pursue these two worthwhile goals. And let us do so with goodwill and as good neighbours, knowing that great as our past achievements have been, there are still greater days ahead of us.

Thank you.

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